

FINANCIAL TIMES

Weekend FT

Living with nuclear mess

Stop this endorphin abuse

Working wear in New York

SECTION II

World Business Newspapers

WEEKEND APRIL 13/APRIL 14 1996

Man arrested after probe into IRA's London bombing

A 26-year-old Irishman was being questioned by police in Dublin after a joint operation between British and Irish security forces in the wake of the IRA's February bombing in London's Docklands.

Anglo offered Lorrho chief's shares: UK conglomerate Lorrho effectively handed potential future control of its mining interests to South Africa's biggest company, Anglo American Corporation.

French group wins UK rail franchise: A French company is to receive a UK government subsidy of £360m (£547.2m) over the next seven years to run the busy rail commuter network serving south London and the south coast.

US to return Okinawa lands: Japan and the US announced plans to return land used for an air base on Okinawa island to local residents, days before a summit between President Bill Clinton and Japan's prime minister Ryutaro Hashimoto.

Clinton meets UK opposition leader: US president Bill Clinton met Britain's opposition Labour party leader Tony Blair in Washington as the ruling Conservative Party's majority in Parliament was reduced to one after a by-election defeat.

Repair work 'caused Düsseldorf fire': The Düsseldorf airport fire in which 16 people died was caused when workmen used hot bitumen to repair a road over the departure lounge, German police said.

China hints at diverting US trade: China hinted it would switch its trade away from the US, and possibly towards Europe, if Washington continued to block its admission to the World Trade Organisation.

Deutsche Telekom, which will raise up to DM15bn (£10bn) in November through Germany's biggest share issue, denied reports that it is preparing to make a bid for UK-based telecommunications group Cable and Wireless.

Kohl to agree jobs plan: German chancellor Helmut Kohl will meet senior ministers and party officials to agree plans for spending cuts, welfare changes and tax reforms as part of a programme to reduce the country's 4.14m jobless.

London stocks fight off Wall 96 gloom: London shares regained their poise, helped by the prospect of more take-over bids and relief that Thursday's 70-point slide in the Dow Jones Industrial average proved temporary.

FT-SE 100 index: Hourly movements: 3,780; 3,760; 3,740; 3,720

the FT-SE 100 gained 11.2 points. Page 19; World stocks, Page 17; Markets, Weekend FT, Page 18

Hong Kong warned over political activists: China warned against political activism in Hong Kong, claiming it would damage the territory's prospects as an international trade and financial centre.

US orders more ships to Liberia: The US ordered two more ships to head for West Africa to help in its widening military operation to rescue foreigners trapped by fighting in Liberia.

FT book award winners: The winners of the first Financial Times/Book-Allen & Hamilton Global Business Book Awards are Die Deutsche Bank, by Lother Gail, Gerald D. Feldman, Harold James, Carl Ludwig Hoffmarch and Hans E. Börschgen and Intellectual Property, by Noboru Kono and Kijiro Nonaka.

Companies in this issue: Abbot, Axa, BET, BNL, BSkyB, BT, British Thomson, CGA Direct, Clark (C&I), Compass, Deutsche Telekom, Euronext France, Ford, Fujitsu, GKN, Goldman Sachs

For customer service and other general enquiries call: Frankfurt (69) 15685150

Ford spends \$480m to take control of Mazda

By Michyo Nakamoto in Tokyo and Halg Simonsian in London

Ford, the world's second biggest carmaker, is spending \$480m (\$480m) to raise its stake in Mazda to a controlling 33.4 per cent in the first case of a foreign company taking the wheel at a leading Japanese concern.

Officials at Ford and Mazda, Japan's fifth biggest carmaker, said the move would help to form the strongest carmaking alliance in the world.

Mr Henry Wallace, the Ford executive who has been Mazda's vice-president for two years, will become president, making him the first foreigner to run a top Japanese company.

Mr Wayne Booker, Ford's executive vice-president in charge of international operations, said the move was mainly designed to strengthen the two companies in Asia.

Mr Booker said Ford and Mazda would now be able to work more closely on product development, component purchasing and manufacturing, and marketing and distribution.

However, Ford's move highlights the growing trend of globalisation in the motor industry.

The deal, which marks the clearest demonstration to date of

the pressures on Japanese industry, follows a troubled three years for Mazda. The company made consolidated pre-tax losses of ¥37m last year, an improvement on the previous year's ¥47m, and is expected to have avoided another loss in the financial year to March 31 only because of asset sales.

Mr Shunpei Tanaka, minister of international trade and industry, yesterday welcomed Ford's move and suggested the deal marked a profound political change from an era when foreign ownership of important sectors of the economy would have been seen as unwelcome.

"It's a good story at a time when global economic relations are stepping in a new direction toward free and fair competition based on international rules," he said.

Officials at other Japanese carmakers expressed concern that the closer links between Mazda and Ford could intensify competition and pose a greater threat in the home market.

Mr Booker said the deal would have little impact on Ford's own small front-wheel drive car operations, based in the UK and Germany.

Mr Booker said Ford and Mazda would now be able to work more closely on product development, component purchasing and manufacturing, and marketing and distribution.

Mazda town greets outsider, Page 6; Lex, Page 22



Israeli 120mm howitzers on the border with Lebanon fire at Hizbollah targets yesterday

Israel launches new raid on Beirut

By Mark Dennis in Kiryat Sionna, Northern Israel

Israeli helicopters yesterday hit Beirut's southern suburbs for a second day, apparently wounding several Syrian soldiers in the country's estimated 35,000-strong force based in Lebanon.

The Syrian government did not directly respond to the strike, but official radio broadcasts claimed the main victim of the

fresh attacks would be the Middle East peace process.

Israel said its helicopters had come under fire near Beirut, but did not confirm that it had hit Syrian soldiers.

Together with other air strikes and an extensive artillery bar-

rage in southern Lebanon, the attacks mark a deepening of the crisis along Israel's northern border.

Mr Eban opposes the nomination, but one of his associates appeared to admit defeat yesterday, saying that he would be

Continued on Page 22

Swiss bank denies claim of 'blackmail' from rival

By Ian Rodger in Zurich

The bitter row between Switzerland's two largest banks, Union Bank of Switzerland and CS Holding, over CS's controversial proposal for exploratory merger talks intensified yesterday as CS Holding dismissed UBS charges of attempted blackmail.

CS Holding officials said their group was in no position to blackmail UBS directors in the run-up to the UBS shareholders' meeting next Tuesday, as it held only a very small number of UBS shares.

On Thursday, UBS directors, who rejected the idea of a merger, suggested Mr Rainer Gut, chairman of CS Holding, had tried to threaten them by asking for a response to his proposal before the shareholders' meeting.

CS claimed yesterday that Mr Gut had merely suggested that an early response might be helpful to the UBS board in its proxy fight with Mr Martin Ebner, its largest shareholder.

UBS appeared to have made some progress, as the large Co-op supermarket chain revealed yesterday that shares held by its pension fund would be voted in favour of the board, even though the chief executive, Mr Rolf Leuenberger, called UBS's performance last year inadequate.

Most Zurich bankers believe UBS will attract enough votes to secure the nomination of Mr Robert Studer, the outgoing chief executive, as chairman.

Mr Ebner opposes the nomination, but one of his associates appeared to admit defeat yesterday, saying that he would be

Continued on Page 22

Clinton nominates Kantor as new US commerce chief

By Nancy Durne in Washington

President Bill Clinton yesterday announced that he would appoint Mr Mickey Kantor, the US trade representative, to the post of commerce secretary.

Mr Kantor would succeed Mr Ron Brown, who died with 34 others in an aircraft crash in Croatia last week.

Mr Kantor is an unexpected choice for the post. He is widely regarded as a negotiator and as someone who gets things done, rather than as a policymaker.

The appointment comes after a week of mourning, led by the president, for Mr Brown and his

colleagues. Republicans in Congress have been criticised for their absence from the funeral and memorial services.

It is not certain that the Senate would approve Mr Kantor's nomination - and he could carry that opposition into a nomination battle.

Senator Robert Dole, the Republican party candidate for president, has led the battle against the department - some say more to shore up his conservative credentials than anything else.

However, Mr Kantor has won wide respect among Republicans and Democrats for his handling of trade matters.

Numerous proposals have been introduced in Congress over the years to combine the commerce department and the trade representative posts. It is possible a move to combine by Mr Kantor could signal the administration's willingness to create a streamlined department of trade and industry.

President Clinton also announced the appointment of Mr Franklin Raines as director of the Office of Management and Budget. Mr Raines was formerly vice-chairman of the Federal National Mortgage Association (Fannie Mae).

Mr Raines will replace Ms Alice Rivlin when she becomes vice-chairman of the Federal Reserve.

STOCK MARKET INDICES: FT-SE 100: 3,768.8 (+22.6); US LUNCHTIME RATES: 3-m Treasury Bills: 5.07%; DOLLAR: New York: Lanchtime: 1.51225; Sterling: New York: Lanchtime: 1.9115 (1.5137); Gold: New York: Comex (Apr): 3387.1; Contents: International News: 23; UK News: 4; Weather: 22; Lit: 22; Finance: 8; Leader Page: 8; Letters: 8; Man in the News: 9; Companies: 6; UK: 6; International: 5; Markets: 6; FT-SE Analysis: 13; FT/SSPA-Wid Index: 17; Foreign Exchange: 10; Gold Markets: 7; Equity Options: 17; London SE: 19; LSE Dealings: 16; Managed Funds: WM11-15; Money Markets: 10; Recent Issues: 17; Share Information: 20,21; World Commodities: 7; Wall Street: 16,17; Buenos: 16,17; Weekend FT: Section II

Advertisement for County Hall property sale. Includes text: 'OPEN WEEKEND SAT 13th - SUN 14th APRIL', 'THE ULTIMATE OPPORTUNITY', 'COUNTY HALL', 'SOLD', 'FINAL RELEASE', 'SOLD', 'SOLD', '\$99,000', '\$129,000', 'SALES OFFICE OPEN 7 DAYS 10.30am-5.00pm', 'TELEPHONE: 0171 620 1500', 'GALLIARD HOMES LIMITED', 'FREEPHONE: 0800 54 56 58'.

NEWS: EUROPE

Russian rivals look to church

Yeltsin and Zyuganov become more devout as presidential poll nears

By John Thornhill in Moscow

Inside the newly rebuilt Cathedral of Christ the Saviour in Moscow tomorrow, as Russia's Orthodox Christians celebrate Easter Sunday, President Boris Yeltsin will have one eye on the political souls of the 1,000-strong congregation. Mr Yeltsin is due to be there to witness Patriarch Alexei II, the head of the Orthodox church, conduct the first Easter mass at the reconstructed cathedral, newly topped by a giant golden cross, since it was destroyed by the Communists in 1931. Spiritual and secular power have always been closely intertwined in Russia and the issue of religion is again emerging as a theme in the presidential elections scheduled for June 16.

Mr Yeltsin, a former Communist and atheist, will have had his interest in the religious well-being of the nation, with its millions of voters, buoyed by a similar enthusiasm shown by his chief rival, Mr Gennady Zyuganov, the Communist party's presidential candidate. While Mr Yeltsin appears to have discovered religion late in life, he has enthusiastically re-introduced the Orthodox church into the ceremonial functions of the Russian state. For example, Alexei II was on hand earlier this month to bless the closer union being forged between Russia and Belarus. But the unlikely figure of Mr Zyuganov has also shed some of his ideological baggage, making strenuous efforts to woo the religious vote. Last Sunday, wearing a

leather jacket, he toured the Sergiev Posad monastery, the Orthodox church's holiest site, and talked with religious leaders for four hours. In several interviews Mr Zyuganov has emphasised his spiritual beliefs, arguing that the communist ethic has a 2,000-year history stretching back to Jesus Christ. Mr Zyuganov, whose particular brand of communism appears to owe more to Russian nationalism than Marxist internationalism, has even taken the cuegels on behalf of the Orthodox church, railing against the appearance of "foreign" priests on television. To Mr Zyuganov, the Russian Orthodox church's beliefs in its unique destiny, the seemingly chime well with his own conceptions of Russia as a

great but distinctive world power. In its 74-year reign the Communist party did its best to eradicate religion in Russia, killing thousands of priests and closing all but 21 of the 1,000 monasteries that dotted the country before the 1917 revolution. Indeed, it was an earlier leader of the Communist party, Josef Stalin, who blew up the original Cathedral of Christ the Saviour, built in the nineteenth century to celebrate Russia's defeat of Napoleon, and turned the site into an open-air swimming pool. It would be an extraordinary turn of the historical wheel if a communist President Zyuganov were to preside over the ceremonies celebrating the completion of the cathedral in September 1997.



Church's blessing: A Russian Orthodox priest sprinkles some holy water on a new MIG-AT aircraft yesterday before test flights at Zhukovsky airfield near Moscow

Verona meeting hopes to kickstart new ERM

By Gillian Tett and Andrew Hill in Verona

The European Commission hopes preparations for a future exchange rate mechanism will start soon after this weekend's meeting of European Union finance ministers and central bank governors. Speaking in Verona, officials said they believed that "a new wave of technical work" to examine the details of how any future system would work would receive approval at the meeting. French officials are also confident they will be able to muster a sufficiently high level of support from the other EU countries to start serious preparations for a future ERM at this meeting. Such views indicate the difficulties the UK Chancellor Kenneth Clarke may face in the discussion today about the future relations between the first group of participants in economic and monetary union, the so-called "ins", and the rest, or "outs".

The UK is likely to block anything that would force it to re-enter an ERM, although it accepts that there would be a need for a broader system to encourage convergence between the "ins" and "outs" of ERM. The question of how convergence can be reinforced, however, is also likely to prove highly sensitive, after the Commission yesterday unveiled new proposals to put moral pressure on countries outside any future ERM to follow healthy economic practices. These proposals call for specific pledges that these countries will automatically take action to correct their domestic economic policies if their economies are failing to meet their convergence targets. The Commission is not calling for fines to be imposed on countries which fail to meet the targets. However, it hopes that what Yves-Thibault de Silguy, the European economic affairs commissioner, calls "auto-corrective mechanisms" would make it more difficult for countries to stray from their convergence programmes. "The idea is that when the member states commit themselves to a new convergence programme, they should indicate the measures which will be put in place to correct any possible deviation from the plan," Mr De Silguy said yesterday in Verona. Brussels is also hoping to make existing EU sanctions on excessive budget deficits more effective, by speeding up and clarifying the way in which they can be applied. "We start from the convergence programmes now and make them more operational, more systematic," he added. The prospect of more effective EU powers to discipline wayward fiscal policies is likely to be greeted with unease in some countries, particularly the UK.

Meanwhile, Commission proposals for a tax harmonisation are also likely to divide the EU countries. Mr Mario Monti, EU internal market commissioner, believes that he now has German and Belgium support for his proposals, and is hoping to use this to garner more backing today. The UK, however, is strongly opposed to the idea, insisting that tax should remain a domestic matter.

Li plays Europe off against US

By David Buchanan in Paris

China yesterday appeared to threaten to switch its trade away from the US, and possibly towards Europe, if Washington continued to block its admission to the World Trade Organisation. Speaking to French industrialists in Paris, Mr Li Peng, the Chinese prime minister, took a thinly-veiled swipe at the US. "There is one superpower which does not wish to see China admitted without difficulty into the WTO... If people persist in excluding China from the WTO, we will have no choice but to develop our bilateral trade relations," Mr Li told

the Paris chamber of commerce and industry on the fourth day of a visit to France. "We have just bought 33 Airbus," the Chinese premier said, referring to the contract signed on Wednesday with the European aircraft consortium. "Who can prevent the development of our bilateral commercial relations? No one," he concluded. However, Mr Li also responded to objections, chiefly by the US, that China was too protectionist to deserve the trade liberalisation benefits of WTO membership. He promised China would take "energetic measures to lower its tariffs to 15 per cent",

in line with its status as a developing country. He pointed out Chinese tariffs had just been substantially reduced to an average of 23 per cent. But Mr Li gave no date for the further tariff reduction which Chinese officials have already indicated might take several years. The recent cut in tariff levels from about 35 to 23 per cent was also accompanied by some new quotas on farm products and by less favourable tariff treatment for goods imported by foreign investors in the country. Mr Li appeared to be seeking to use France and Europe as a counterweight to the US in its foreign policy. In the wake of a

diplomatic incident this week that nearly derailed an official dinner and the ceremonial signing of the Airbus contract, Mr Li said he hoped France and China would "resolve their divergences" so as to establish "stable long-term relations". China yesterday signed a further \$750m (€600m) worth of contracts with French companies, mainly the purchase of FF650m worth of oil from the Elf-Aquitaine oil company and a FF250m contract for gas liquefaction technology from Gaz de France. But Mr Bernard Pons, the French transport minister, disclosed the Chinese had dropped plans to buy 28 electric locomotives from GEC-Alsthom, the Franco-British company. "The Chinese thought our price was 50 per cent too high and are going to buy elsewhere," Mr Pons said. Mr Serge Tchuruk, president of Alcatel-Alsthom, the French parent of the joint company, saw Mr Li on Thursday and said afterwards that negotiations were continuing. French ministers yesterday hailed Mr Li's visit, which ends today with a trip to Airbus facilities in Toulouse, as a success for France, which has lagged behind other big European countries in the Chinese market and accounts for only 1.9 per cent of China's imports.

EUROPEAN NEWS DIGEST

French prices rise sharply

French consumer prices shot sharply higher in March, giving the first hint in years that inflation, long-dormant in France, may be awaking. Consumer prices jumped between 0.6 per cent and 0.7 per cent in March from February, giving a year-on-year rise of 2.3 to 2.4 per cent, national statistics institute Insee said on Friday. It was the highest month-on-month rise since January 1981, and though government officials and private economists said it was probably temporary, the surprise jump could have implications for monetary policy and economic growth. A French finance ministry official played down the rise. "The rise in March is largely due to seasonal and unusual factors and does not reflect an acceleration of underlying inflation," he said. Private economists said the jump in prices could be the result of a catch-up effect after crippling public sector strikes at the end of last year. David Buchanan, Paris

Spanish inflation rate falls

Spain's annual inflation rate slowed sharply last month from 3.7 per cent to 3.4 per cent, the lowest for more than 25 years, the national statistics institute reported yesterday. The March increase of 0.4 per cent in consumer prices compared with 0.6 per cent in the same month last year. The reduction largely reflected a flat or fall in food prices during the month. Mr Manuel Fraga, the Spanish minister for the economy and the caretaker Socialist government, said the increase for the year might now fall within the official 3.5 per cent target. He predicted a further drop in April. The Bank of Spain, which anticipated the lower inflation with a surprise half-point interest cut last week, yesterday maintained its benchmark rate at 7.75 per cent. David White, Madrid

Aznar asked to form cabinet

King Juan Carlos has asked Mr José María Aznar to lead the next Spanish government - even though Mr Aznar's centre-right Popular Party has yet to obtain enough pledges of support from regionalist groups to ensure parliament votes into office. Mr Aznar, emerging from talks with the king yesterday, said he intended to form a government "in as short a time as possible". A date now has to be set for the investiture vote, possibly in the last week of April. Yesterday's meeting concluded the monarch's round of consultations with party leaders after elections six weeks ago which gave the PP its first victory but left it 20 seats short of a majority. The party concluded its first pact on Thursday with a Canary Island coalition which has four seats, and put forward fresh proposals to the Catalan Convergència i Unió group, whose 16 seats give it effective power. The latest PP offer involves doubling the share of income tax revenues handled by regional governments to 30 per cent after a two-year transition. CiU said the proposal was insufficient, but greeted as "positive" the fact that the PP had made a firm offer. David White, Madrid

Repair work 'caused airport fire'

The Dusseldorf airport fire in which 16 people died was caused when workmen used hot bitumen to repair a road over the runway, German police said yesterday. The work at Germany's second largest airport to seal cracks in the road set light to PVC-covered cables causing a fireball that spread the blaze along almost half the 560-metre long departure and arrivals complex. Estimates suggest the cost to insurers will reach hundreds of millions of D-Marks. Peter Norman, Bonn

US hopeful on Bosnia cash

US officials were optimistic yesterday that international donors meeting in Brussels would pledge the outstanding \$1.2bn needed for the joint EU/World Bank emergency reconstruction programme in Bosnia this year. The pledges from more than 50 countries attending the two-day conference will be announced today. Last December donors pledged \$600m of the \$1.2bn needed for the first year. Harriet Martin, Brussels

Slimline Kohl ready to trim state spending

By Peter Norman in Bonn

Chancellor Helmut Kohl returns from his annual slimming holiday in Bad Hofgastein, Austria, today ready to begin the task of slimming down Germany's government. Tomorrow Mr Kohl meets senior ministers and party officials to agree plans for spending cuts, welfare changes and tax reforms as part of a programme to restore Germany's international competitiveness and cut its 4.1m jobless total. Mr Kohl has pledged to turn the government's 50-point plan to revive the economy, agreed in January, into a plan of action between now and parliament's summer break in July. In particular, his government must find ways of paring Germany's luxuriant welfare spending in order to cut the burden of contributions that adds to non-wage labour costs. It must reform inheritance, wealth and business taxes in ways that will encourage investment. And public expenditure must be cut sufficiently for Germany to bring its 1997 public deficit below the Maastricht treaty ceiling of 3 per cent of gross domestic product and so revive the country a chance of qualifying for Europe's economic and monetary union from January 1999. Such tasks are difficult in a nation with powerful vested

interests and where there is little evidence that the public or many politicians are prepared to accept a radical restructuring of Germany's "social market" economy in which more than 50 per cent of expenditure is carried out by the public sector. The chancellor's room for manoeuvre will be further restricted by pledges he has made in recent weeks. In a television interview broadcast from his holiday home on Thursday night, he again ruled out any increase in value added tax from its current 15 per cent before the end of the present parliament in late 1998. He assured Germany's growing army of pensioners that their pensions, financed on a "pay as you go" basis by a shrinking working population, were secure. He promised to press on with the further development of the government's insurance scheme covering residential care for the elderly in spite of fears of rising costs. Mr Kohl, who appeared combative and confident in the interview, signalled drastic spending cuts for federal, state and local authorities to fulfil the government's pledge of reducing public spending to 46 per cent of GDP by the end of the century. He gave no details, but Mr Theo Waigel, the finance minister, warned after talks with other ministers and officials on Thursday that there would be "no taboos".

Wage restraint and employment on agenda Germans struggle with pay and jobs formula

By Wolfgang Münchau in Frankfurt

A German union leader confessed this week that he and colleagues had "tears in our eyes" when they accepted a deal giving building workers a pay rise of just 1.85 per cent. As long drawn-out wage negotiations ended in the hours of Thursday, Mr Klaus Wieseheid, leader of the construction workers' union, made no secret that the settlement had not really been satisfactory from his point of view. But it was the best he could achieve in the circumstances. And in any case, he did much better in a separate dispute over a minimum wage for the industry. Here, the two sides agreed - pending approval by a national employers' federation - on a minimum hourly wage of DM18.60 (\$12.37) in western Germany. Set at such a high level, the minimum wage will succeed in its main goal of pricing cheap foreign labour out of the German labour market. Last month, chemical and textile industry negotiators also agreed low wage increases - a seemingly normal pattern at times of high unemployment. But the deals have a new element. Now, employers are willing to offer job guarantees in return for wage rises that only keep up with inflation. This form of trade-off was precisely the idea behind the "alliance for jobs", which Mr Klaus Zwickel, president of the

IG Metall metalworkers' union, proposed last year. Ironically for Mr Zwickel, the alliance for jobs has so far proved more successful in the chemical and textiles industries than in his own metal and engineering sector. Mr Werner Stumpfe, president-elect of Gesamtmetall, which represents 1.5 million workers, last month pronounced the alliance for jobs "dead". If his view prevails, he will risk a difficult pay round with the union this autumn. A fuming Mr Zwickel has already threatened strike action. But Mr Stumpfe's outburst is widely seen as a political gaffe. In a television interview this week, Chancellor Helmut Kohl said pointedly that "the alliance for jobs is not dead". He warned employers not to "set out on a march towards change of the traditional [wage negotiating] customs". In this dispute, Mr Kohl firmly aligned himself with Mr Zwickel as the alliance for jobs has been the only jobs initiative to have captured the imagination of the German public. In this context Mr Kohl praised the wage deal in the chemical industry as exemplary. The agreement is an almost perfect implementation of Mr Zwickel's idea. Its main components are: ● A wage rise of 2 per cent, marginally higher than the current rate of inflation. ● During the contract period, the employers have agreed to guarantee existing jobs.

● Overtime bonuses are to be abolished and overtime work will have to be compensated with holidays within a month. The aim is to cut overtime as much as possible and replace it with flexible working hours. ● Both parties also agreed on a part-time scheme for older workers to ensure a smoother transition into retirement. All this differs from Mr Zwickel's proposal only in as much as his plans were even more far-reaching. Mr Zwickel wanted to secure 330,000 new jobs, and while he will not achieve this number, his approach has prevailed nevertheless - for the first time, German trade unions are negotiating jobs and are willing to forgo wage rises in the process. Even more extreme was the settlement in the textile industry, a sector that has suffered a 30 per cent fall in employment over the last three years to about 250,000. Hoping to end the bleeding, the textile union accepted a 1.5 per cent pay rise in return for job guarantees. Companies in difficulties can postpone the wage rise for another year. The textile union has also accepted one of the most flexible working time pacts in German industry. As a framework for this year's wage round the alliance for jobs is here to stay, and with the notable exception of the metal industry, German employers have so far proved receptive. The old consensus politics appears to be back again.

Argentina Mining: Investment Opportunities

Conference Wednesday 17 April 1996
Canning House, 2 Belgrave Square, London SW1
from 08.45 to 16.30
followed by a reception at the Argentine Embassy

Speakers:

- Lic Carlos Magariños, Argentine Secretary of Mining & Industry
- Dr Miguel Angel Guemero, Argentine Director for Mining
- David Suraitgar, Deputy Chairman, Morgan Grenfell International
- Ing J A Fillo Casas, "Borax: The Future after 90 years in Argentina"

Case Studies:

- MM (Mount Iza Mines), "Bajo de la Alumbrera"
- Mincorp, "Cerro Vanguardia"
- FMC Lithium Corporation, "Proyecto FEND"
- BHP, "Aguas Rica"
- Northern Orion, "A small company's view"

Carlos Magariños will address the conference to outline measures taken by his government to promote investment security in the Argentine Mining sector. Other speakers will examine factors influencing mining investments and sources of finance illustrated by case studies.

Price includes lunch: £120 inc. VAT (€45 inc. VAT, Canning House Members, £95 inc. VAT LATAG Members). Contact: The Corporate Office, Canning House, 2 Belgrave Square, London SW1X 3PL. Telephone 0171 235 2303 Fax 0171 235 3587

Old politics fails to fire young voters

With elections imminent, Italy's students are more interested in jobs than ideology

Apathy is palpable on the campus of central Italy's Perugia University, in its idyllic setting between Florence and Rome. "Neither my friends nor I have any faith that the elections will bring any real change to the world in which we have to live," says Livio Romano, a 20-year-old maths student. Such views are just as much in evidence in Rome, Milan and elsewhere among young voters. At Milan's prestigious private university, the Bocconi, where last year fewer than one in five voted in student elections, student leaders admit there is a high level of political indifference. This contrasts with the often highly politicised backgrounds of the students' parents. For instance Perugia draws the bulk of its student population from the city and the surrounding region of Umbria, which is a stronghold of the left. Indeed this part of Umbria is so much a "Red belt" that the right-wing

alliance headed by former premier Silvio Berlusconi is scarcely bothering to campaign here. The centre-left "Olive Tree" alliance is expected to obtain another clean sweep of the seats in the first-past-the-post system. Moreno Capporali, the local organiser in Umbria for the Party of the Democratic Left (PDS), the dominant partner in the Olive Tree alliance, concedes there is a big generation gap developing between the political commitment of the older voters and the indifference of the young. Over the past month groups of 17 and 18-year-olds in their final year of school have been brought in for political briefings at the PDS headquarters, once belonging to the old Communist party. "We are worried that they have no curiosity or enthusiasm about politics and this election," says Mr Capporali. "This attitude is not a reflection of class or their parents' backgrounds - it's generational: the politicians don't grab their attention. We can only reach them if we discuss specific issues like jobs."

The percentage of the Italian labour force with degrees and diplomas has tripled over the past two decades. But since the late eighties youth unemployment has risen alarmingly and is now running at 30 per cent. The jobs issue is crucial and the only one which provokes serious interest among the young in this election. The optimistic message on his job conveyed by Mr Berlusconi and his ally Mr Gianfranco Fini of the right wing National Alliance (AN) appears to explain the predominant sentiment among students in favour of the right. "We don't necessarily believe what Fini and Berlusconi say but they seem to be talking more to us. The left still wants to give us lectures," commented Sandra Barone, a Perugia philosophy student. The 1994 elections saw the youth vote cast heavily in favour of Mr Berlusconi's Forza Italia as a symbol of something new. But the Berlusconi image has been tarnished by his brief nine months in government and by his increasingly subordinate role in the right-wing alliance. Most of the students who admit voting for Mr Berlusconi in 1994 say that - if they vote - they will transfer to Mr Fini. Only two years ago Mr Fini was still labelled a neo-fascist and his party was

struggling for political respectability. However, his appeal has more to do with personality than ideology. The dominant phrases are: "He looks confident on TV"; "He talks clearly"; "Never gets ruffled"; "Had nothing to do with Tangentopoli (the corruption scandals)". Those between 18 and 25 account for 12 per cent of the electorate. If young voters do not abstain and stay with the right-wing alliance, it will have an important bearing on the result in the chamber of deputies. In 1994 Mr Berlusconi and his allies won a majority there but not in the senate. The vote in the senate favoured the centre-left, largely because senators are elected by those aged 25 and over. Once again this difference in the voting age between the two houses could produce a result where neither the left nor the right wing alliance is able to exercise majority control over both chambers.

Robert Graham and Andrew Hill

THE FINANCIAL TIMES
Published by The Financial Times (Europe) GmbH, Neuhofplatz 3, 60314 Frankfurt am Main, Germany. Telephone +49 69 156 830. Fax +49 69 956 4811. Registered in Frankfurt by J. Walter Bredemeyer, Wilhelmstr. 1, 60311 Frankfurt, Germany. C.M. Bell, Chairman, and Alan C. Miller, Deputy Chairman. Shareholders of the Financial Times (Europe) Ltd, London and F.T. (Germany) Advertising Ltd, London. Shareholders of the above mentioned companies in the Financial Times Limited, Number One Southwark Bridge, London SE1 9HL.

FRANCE:
Responsible for Advertising: Colin A. Kennard, Printer: Hénry International Verlagsgesellschaft mbH, Adm.-Büro: Schwanenstraße 3a, 63363 Neu Isenburg. ISSN 0174 7263. Responsible Editor: Richard Lambert. The Financial Times Limited, Number One Southwark Bridge, London SE1 9HL.

GERMANY:
Responsible for Advertising: Colin A. Kennard, Printer: Hénry International Verlagsgesellschaft mbH, Adm.-Büro: Schwanenstraße 3a, 63363 Neu Isenburg. ISSN 0174 7263. Responsible Editor: Richard Lambert. The Financial Times Limited, Number One Southwark Bridge, London SE1 9HL.

SWEDEN:
Responsible Publisher: Hugh Carmay 468 615 6008. Printer: A.B. Kvalitetstryckeriet, Expressen, PO Box 6007, S-550 06, Jönköping.

© The Financial Times Limited 1996.
Editor: Richard Lambert, c/o The Financial Times Limited, Number One Southwark Bridge, London SE1 9HL.

سكوا من الأصيل

US agrees to give up Okinawa air base

By William Dawkins in Tokyo

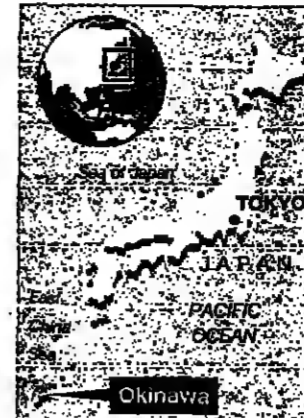
Japan and the US yesterday announced plans to return land occupied by an air base on the island of Okinawa to local residents, a gesture calculated to defuse local complaints against the largest concentration of US troops in Japan.

Their bilateral security pact, seen by defence planners on both sides of the Pacific as the foundation of security in East Asia.

There will be no reduction in the 47,000 troops based in Japan, of which 28,000 are in Okinawa. The facilities at Futenma, used by the marine corps, will be transferred to other sites on Okinawa and mainland Japan during the next five to seven years.

Mr Walter Mondale, US ambassador to Japan, stressed that the handover would not weaken US military capability in the region. He said the US security pact with Japan remained important and would be strengthened.

Mr Hashimoto said the decision was an "important achievement" in reducing the US presence in Okinawa. The island 1,000km south of Tokyo has long complained it is unfairly burdened with three-quarters of US bases in Japan.



INTERNATIONAL NEWS DIGEST

Vietnam warns China over oil

Vietnam yesterday implicitly warned China not to put obstacles in the way of plans to allow Conoco of the US to explore for oil and gas in an area of the South China Sea claimed by both countries.

"The statement followed one issued on Thursday by China's Foreign Ministry stating that Beijing will never accept any exploration by any country or region in this area that would violate China's sovereignty."

PetroVietnam, Vietnam's state oil company, signed a business co-operation contract on Wednesday with a subsidiary of Houston-based Conoco, allowing it to operate in the same area where China awarded exploration rights to Denver-based Crestone Energy in 1992.

The Vietnamese statement said the area in question, designated Blocks 133 and 134 by Hanoi, lies on Vietnam's continental shelf and falls "totally" within the scope of its sovereignty and jurisdiction under international law.

Conoco has reportedly indicated that it will accept a settlement to the Sino-Vietnamese dispute before proceeding to search for oil.

US consumer prices up 0.4%

US inflation, as measured by the Labour Department's consumer price index, was 0.4 per cent in March, pushed up by higher prices for food, energy and apparel. The core rate, which eliminates the volatile food and energy sectors, rose by 0.3 per cent in seasonally adjusted terms.

The index held some good news for inflation hawks. Prices for medical goods rose a modest 0.3 per cent, and services prices, at 0.2 per cent, were half the rise of the previous month. Ecocast, the report issued by Deutsche Morgan Grenfell-CJ Lawrence, said the current energy price rises are temporary and that "inflation pressures remain subdued".

A separate government report provided more encouragement on inflation. According to the Commerce Department, retail sales rose only 0.1 per cent in March, after a big 1.9 per cent rise in February. Durable goods sales were up 8.1 per cent for the year ending March, with car sales up 10.9 per cent.

Attack on Colombo harbour

Tamil Tiger guerrillas yesterday staged a suicide attack against the Colombo harbour, damaging two ships. Two divers, strapped with explosives, entered the harbour and apparently targeted a liquid gas tanker.

A Singapore car carrier, the MV Singa Ace, also suffered a mortar attack and eight cars on the top deck were damaged by the blast. The vessel was coming from Singapore and on its way to Oman after discharging a small load of cars in Colombo.

A crew member of the Singa Ace said a rebel boat fired rocket propelled grenades before the vessel was blown out of the water by a naval gunboat. An estimated 10 rebels died in the failed attack.

Shipping sources said that freight costs were likely to rise with insurance firms demanding higher premium for ships calling at Colombo after the attack.

The government, which is hoping to turn Colombo into a regional shipping hub, assured international shipping lines that security would be tightened at the port.

Looting continues in Monrovia

Looting continued yesterday in Monrovia, where US military forces are still evacuating foreign residents from the war-stricken Liberian capital.

Fighting broke out last week between rival factions of the fragile coalition government formed last year by Liberia's former war lords, who had signed a peace agreement in the Nigerian capital Abuja to try to end five years of civil war.

The agreement collapsed when rival members of the coalition tried to arrest by force a former member, Mr Roosevelt Johnson, leader of the United Front faction.

There was no intervention in Monrovia by the large West African peace-keeping force yesterday as a United Nations property in Monrovia was among the targets raided by armed rebels. The soldiers say they have been unable to restore order in the capital.

HK warned against political activism

By John Ridding in Hong Kong

China yesterday warned against political activism in Hong Kong, claiming it would damage the territory's prospects as an international trade and financial centre.

"Hong Kong people will not be willing to see Hong Kong become a centre for political struggles," said Mr Zhou Nan, head of the territory's branch of Xinhua news agency, China's de facto embassy.

He said Hong Kong should remain a centre for business rather than politics, and expressed optimism for the territory's economic development after it is "unshackled from colonial rule".

The comments came amid serious strain between Britain and Beijing over Hong Kong's handover to China next year, and as Beijing's top official on Hong Kong is visiting the territory for consultations about political institutions concerning the transition.

Britain and local democratic politicians have condemned Beijing's plans to replace the legislature which was elected last year. Britain and China had failed to agree on electoral rules for a Legislative Council which would span Hong Kong's handover.

The dispute over the legislature has raised fears of a difficult transition. However, senior industrialists and business leaders attending a conference yesterday expressed confidence about the handover and the territory's ability to develop as a trade and financial centre.

Addressing the conference, Mr Lu Ping, head of the Hong Kong and Macao Affairs office and China's senior official on Hong Kong, sought to allay worries about nationality and travel issues. He said Beijing would take a flexible stance and leave it up to returning emigrants whether to declare foreign or Chinese nationality.



Countdown: Lu Ping checks his watch in Hong Kong

Kong to live and work but who have acquired foreign nationality. It is also seen as important in maintaining the territory's role as a business centre.

The speech was welcomed by the pro-business Liberal party, although diplomats noted that it left unresolved uncertainties relating to right of abode in Hong Kong and qualification for Chinese nationality.

Mr Lu is in Hong Kong for consultations about the formation of a 400-member selection committee. The body will set up the provisional legislature and nominate the future chief

executive, the post-colonial governor.

Both Mr Lu and Mr Zhou expressed commitment to the "one country, two systems" formula which underpins the handover intended to ensure autonomy for Hong Kong.

Mr Lu said that the consultations with grassroots organisations and individuals during the next few days demonstrated China's responsiveness to local views.

However, members of the Democratic Party, the largest element in the legislature, had their invitations to the consultations withdrawn.

Bargains galore in the foreign home department

By John Ridding in Hong Kong

Weekend shopping in Hong Kong means a lot more than groceries. Among the throngs which will pass through the territory's glitzy shopping malls and hotels today, some have a foreign house on their list.

"Sometimes it takes them a few days to decide, but they can also buy on the spot," says Mr Louis Li, director of Rubicon Properties. His company has information on display about 55 units in the English university town of Cambridge.

In another presentation nearby, customers can browse condominiums in Canada.

The success of off-the-peg property sales - in which many dwellings are snapped up during the weekend exhibitions - reflects Hong Kong's twin obsessions with shopping and property and the disposable wealth of many of its inhabitants. And in land-scarce Hong Kong, even up-market developments in London's smart Kensington area or in downtown Vancouver are a relative steal.

The condos on offer in Vancouver cost about HK\$1,700 (US\$219.90) per square foot. By contrast, Mr David Faulkner, partner at Brooke Hillier Parker, estimates that a flat in one of Hong Kong's smarter residential areas would cost HK\$36,000 per square foot. The \$500,000 being asked for a penthouse in London's expensive Chelsea area would not get you very far up an apartment block on Hong Kong Island.

In some cases, the attractions of an overseas home lie in political considerations and Hong Kong's looming handover to China next year.

"We have clients who want to shift assets overseas as a precaution," says one property agent. "And for some it provides the option of somewhere to live if

things don't work out here." This motive, however, has been losing much its force. "Most of those looking for a bolt-hole have already got one by now," says Mr Faulkner. "The real boom years were at the end of the 1980s and early 1990s when emigration was the driving force and you could sell a block of flats over the weekend and go home."

But there is little cause for concern with the current state

of the market. "Demand continues to be strong," says Mr Peter Murray, director of Colliers Jardine. The steady accumulation of red "sold" stickers on the board of available apartments in a hotel showroom at one recent exhibition showed the level of interest.

Hong Kong remains the biggest market for overseas UK property sales, although Singapore runs it close in certain areas, such as central London. But the tastes of Hong Kong clients have become more diverse. "The big markets, such as Australia, the UK and Canada are still popular," says one real estate agent. "But now you are seeing demand for property in places like India and the Philippines."

There was no intervention in Monrovia by the large West African peace-keeping force yesterday as a United Nations property in Monrovia was among the targets raided by armed rebels. The soldiers say they have been unable to restore order in the capital.

Paul Adams, Lagos

Kim set to gain from poll outcome

By John Burton in Seoul

It may not have been a ringing endorsement, but South Korean President Kim Young-sam has much to cheer about after Thursday's general election.

Results released yesterday have given Mr Kim several important political advantages allowing him to pursue economic and political reforms, while adopting a more conciliatory policy towards North Korea.

Although the ruling New Korea party narrowly lost its parliamentary majority, securing 189 of the 299 seats in the National Assembly, observers expect the centre-right government will easily recruit most of the 16 independent assembly members to maintain control before the new session opens late next month.

In contrast, the opposition is deeply divided between the centre-left National Congress for New Politics and the conservative United Liberal Democrats. Devastating losses for the minor moderate Democratic party might persuade it to join the government.

Equally important, the election has allowed Mr Kim to consolidate his control over the ruling party, which had been split between his minority moderate faction and a majority of conservative supporters affiliated with the former military government.

Candidates supporting Mr Kim's faction were elected to almost two-thirds of the ruling party's seats. The combination of both internal and external political opposition has put a brake on Mr Kim's plans to deregulate the state-dominated economy as Korea prepares to join the Organisation for Economic Co-operation and Development later this year.

The results will make it easier for Mr Kim to accelerate reforms demanded by the OECD member states. The election came as Korean officials discussed efforts with the OECD to promote capital liberalisation, regarded as the single biggest obstacle to Seoul's entry into the club of industrialised nations.

Fears of a conservative backlash had prompted Mr Kim to adopt a hard-line policy toward North Korea ahead of the general election.

North Korea's recent decision to abandon the 1953 armistice agreement that ended the Korean war is seen by some analysts as a protest by Pyongyang against the lack of progress in its relations with the US as well as South Korea.

Mr Kim may now be in a stronger position to compromise on the North Korean issue when he meets US President Bill Clinton on the South Korean resort island of Cheju next week. The South Korean government had disagreed with attempts by Washington to improve ties gradually with Pyongyang.

The election also indicates that the ruling party is in a stronger position to win next year's presidential campaign. The New Korea party received the highest amount of votes, at 39 per cent, and performed well in most areas of the country. Support for the opposition parties was mainly confined to their traditional regional bases.

Having gained firm control of the ruling party, Mr Kim, who is constitutionally barred from seeking a second term, is now in a better position to hand-pick his successor.

One name being mentioned is Mr Lee Hoi-chang, a former prime minister, who managed the ruling party's parliamentary campaign.

President Kim must also feel personal satisfaction that the election appears to have ended the presidential hopes of his long-time political rival, Mr Kim Dae-jung, the main opposition leader, who failed to secure a parliamentary seat. The two have feuded bitterly for decades.

Founding Fathers beat another firebrand generation

Washington ways and a prospective election have tamed the freshmen of the Republican revolution, writes Patti Waldmeir

Revolution? We don't use that word anymore." For Congressman Joe Scarborough of Florida and the other enfant terrible of the 1994 Republican revolution, the change of rhetoric is all part of growing up in the ways of Washington.

On Monday, he and the other 72 "freshmen" Republican Congressmen elected 18 months ago will return to the capital from their Easter recess. They will look no more so young nor so terrible as when they stormed Capitol Hill.

The realities of Capitol politics had already done much to tame the freshmen, and now the desire for re-election is completing that process. Talk of revolution may have excited voters in 1994 but today it

frightens them. So most freshmen have stopped pushing it.

Some still use the word, but when they do, they use a qualifying adjective, like "slow" or "measured". Or they drop the first letter altogether and speak sagely of "evolution". Mr J.C. Watts, freshman Congressman from Oklahoma and former professional footballer, draws analogies from the American game: "You can throw a 90-yard pass, and get a touchdown in 7 or 8 seconds, or you can get three yards here and five yards there, and eventually score after 16 or 17 plays. But you get the same six points for both of 'em." Unfortunately for their re-election prospects, the freshmen did not promise voters a steady drive to the goal: they guaranteed a big touchdown pass.

Unlike the House, the Senate never had a Contract with America (the legislative manifesto for change which became the bible of House freshmen).

Sitting senators prevented the freshmen from fulfilling some Contract promises (like the cherished balanced budget amendment); other Contract measures, though passed by

Congress, were vetoed by President Clinton (welfare reform, and tax cuts). The freshmen were left with a paltry legislative record on which to campaign for re-election.

That will affect more than a few fresh-faced and fierce young politicians. The outcome of the 1996 election as a whole will turn to a great degree on the fate of the freshmen. Democrats are targeting the 47 first-term Republicans elected with 55 per cent or less of the vote; if more than half of those fail to be re-elected, it could spell the end of Republican dominance of the House.

Congressman Charlie Bass - a freshman with a fine political pedigree (his father served in Congress, his grandfather was governor of New Hampshire, and his great-grandfather

helped run Abraham Lincoln's election campaign) - plans to counter the charge that he and his classmates have failed to deliver the revolution.

"The Contract promised that Congress would take up all the big issues of the late 20th century, it did not say we would do all of it," he says, arguing that it was the presidential veto which stopped the revolt. Congressman Bass believes voters will punish Mr Clinton and not the freshmen.

Political scientist Mr Norman Ornstein doubts this: "The bulk of the freshmen had this tremendous hubris coming in. They believed they could bring Clinton to his knees. They believed... that the voters so ardently wanted a balanced budget and small government that they would

applaud them for going to the wall over it." That did not happen. When their confrontation with the White House over the balanced budget led to a government shutdown late last year, the freshmen were blamed for it. Their standing has never recovered.

Most have been in the words of Congressman Scarborough, "educated in the ways of Washington". For him, that means appreciating the checks and balances created by the Founding Fathers.

"I no longer bang my head against the wall every morning and say: 'Why isn't everyone

for a balanced budget in seven years?" he says. "And I have greater respect for the system," he adds. "We are part of a process which works, and which doesn't allow any one body to bring about a revolution on its own. The system demands that, if there is going to be a revolution, it has to start as an evolution and take more than two years to complete. And it requires a Senate and a President who go along."

But for the moment, it requires most of all the re-election of the freshmen. And there is nothing like an election to tame a revolution.

Carmakers to work for transatlantic standards

By Heig Simonian, Motor Industry Correspondent

Officials from US and European motor industries have agreed to try to harmonise standards and certification to boost car trade across the Atlantic.

After two days of talks in Washington, car industry executives set a timetable to start harmonising rules on environmental matters, such as noise and exhaust emissions, by November 1996.

This would be followed by recommendations for mutual recognition of items, such as safety belts and seating systems by November 1997 and a commitment to examine

rules on anti-theft systems, crash protection and bumpers.

The participants said: "Automobile manufacturers on both sides of the Atlantic have taken seriously the task of creating a road map for harmonisation and will work diligently with their respective governments to provide necessary support for achieving harmonisation."

A number of leading car-makers have blamed the lack of common standards for adding to the cost of motor vehicles and impeding rationalisation in the motor industry.

Mr Alex Trotman, the chairman of Ford, recently said that "unique local requirements add cost, time and complexity

to operating around the world... they're certainly a major roadblock to free trade in a business environment that demands global competition."

Mr Martin Bangemann, the European Union's industry commissioner, said common standards could reduce the cost of a car by up to 10 per cent. As a first step, he suggested national recognition of another country's standards, provided they were of "functional equivalence", with subsequent moves to produce a common set of standards.

"These are issues that we think are extraordinarily important," Ms Mary Good, the acting US commerce secretary, said after the meeting.

US sees victory in Japan car market

By Nancy Durne in Washington

The US administration yesterday declared a victory for its aggressive drive to open Japan's car and car parts market and its "results-oriented" trade policy.

The White House has produced an upbeat status report on the controversial automotive trade arrangements signed with Japan last June. President Bill Clinton, accompanied by industry officials, was yesterday due to release the report, amid much fanfare to attract the attention of big industrial states vital to Mr Clinton's re-election campaign.

The report shows a drop in

US car imports from 17.7m in 1992 to 11.4m last year. In the same period workers employed in US vehicle and vehicle parts manufacturing rose from 613,000 to 983,000. Many analysts believe the shift was inevitable because of the strong yen and the practice of moving production to big markets.

Exports from Chrysler, GM and Ford to Japan rose 215 per cent between 1992 and 1995, although they started from a tiny base. Exports of US parts to Japan jumped 80 per cent.

The report notes that many US parts companies that were previously unsuccessful in Japan are reporting "significant new contracts and sales opportunities."

URGENT CLEARANCE OF LIQUIDATORS' CENTRAL DEPOSITORY AUCTION WITHOUT RESERVE Irrevocable Termination of Occupancy License with Immediate Vacation Clause requires Urgent Liquidation of all High Value Merchandise from various commissions stored in Central Warehouse Depository A Substantial Quantity of Genuine Authentic Handmade PERSIAN, TURKISH, CAUCASIAN, AFGHAN, TRIBAL & OTHER ORIENTAL RUGS & CARPETS

French company wins rail franchise

By Robert Rice in London

A French company is to receive a UK government subsidy of £300m (\$547.20m) over the next seven years to run the busy rail commuter network serving south London and the south coast.

CGEA Group, a transport subsidiary of Générale Des Eaux, the French utility, which yesterday was awarded a seven-year franchise to run Network SouthCentral, is the first continental European company to become involved in running Britain's railways.

Although only the fifth of the 35 passenger rail franchises to be sold, the sale was seized on by Sir George Young, the UK transport secretary, as proof that privatisation had not been derailed by the announcement two days ago by Mr Roger Salmon, the franchising director, that he was stepping down after two years early in October.

Franchising now has a real momentum behind it, and the market is rising admirably to

the opportunities this presents," Sir George said.

The suburban and mainline routes to and from the south of London will be run by London & South Coast, a wholly owned subsidiary of CGEA Group.

The company plans to introduce off-peak and Sunday services for south London and upgraded, faster services between London and Brighton. In addition it will invest £10m over the next three years in improving stations and trains.

However, the company has made no commitment to renew Network SouthCentral's 30-year-old rolling stock, confirming the tendency to award long franchises of 12 or 15 years only in return for commitments to renew trains.

Mr Salmon said yesterday: "The rolling stock is fit for the life of this franchise and replacing it would not be economic. The Health and Safety Executive is content with this."

The company also expects to "franchise" said Mr Antoine Huel, its vice-chairman. London & South Central will



George Muir (left) and Antoine Huel of the French-owned rail company announce their winning bid

receive a subsidy of £85.3m in the first year declining to £24.8m in 2002-03. The average annual subsidy over the life of the franchise will be £51.4m. Network SouthCentral, which benefits from access to three London mainline stations, had passenger revenues of £157.3m in 1994-95.

About 61 per cent of the net-

work's passenger revenue will be subject to fares regulation. Nationally, key fares will be capped at an average of the inflation rate for three years from January this year and at 1 per cent below the retail prices index for the following four years.

Rival bidders for the franchise were a joint bid from

Stagecoach, the Perth-based bus company, and a management buy-out team, and National Express, the bus company. Générale Des Eaux was also part of the unsuccessful management buy-out bid for the east coast mainline franchise which was awarded to Sea Containers, the shipping company, at the end of March.

Clinton greets Labour leader

Financial Times Reporters

The opposition Labour party leader, Mr Tony Blair, basking in his party's resounding by-election victory, yesterday received a warm welcome from President Bill Clinton in Washington as prominent Tories rekindled doubts about Mr John Major's ability to deliver a general election win.

The prime minister acknowledged that the declaration of Conservative support on Thursday night in the Midlands constituency of Staffordshire South East was "disappointing". But he added: "Politics is not an easy ride. I am here to do what is right and stick with it."

The result, which saw Labour pick up 60 per cent of the vote in a previously staunch Tory seat, left the government clinging to a majority of one.

Labour will seek to compound government difficulties with a debate on rail privatisation next week, while the Scottish Nationalists called for a co-ordinated strategy to force an early general election.

Senior Conservative MPs said the defeat, which exceeded the worst expectations of strategists, called for a fresh approach to policy presentation.

Mr John Redwood, who challenged Mr Major unsuccessfully for the Conservative party leadership last year, said: "I think there is a clear message here for the government about the mood of the nation."

He added: "Voters in the by-election were saying the economic recovery is not enough, they want to see more action on tax, they want reassurance about the health service, they want reassurance about the future direction of the country."

Mr Michael Howard, the home secretary and a senior cabinet rightwinger, said the result showed "we are not getting our message across".

Mr Blair said the Conservatives had been "deeply humiliated". For many Tories, the timing of his talks at the White House could not have been more galling. However, they took heart from a clear attempt by Mr Clinton to "100" appear too close to the Labour leader. Administration officials said the president now had a good working relationship with Mr Blair which he would not jeopardise.

Mr Clinton parried questions about Mr Blair's electoral prospects, although they did have a short discussion about the by-election result.

The 40-minute meeting dealt with Northern Ireland, foreign affairs and what was described as the "common economic problems faced by centre parties". Mr Clinton praised Mr Blair for his "statesmanlike" approach to the Ulster peace process.

Mr Blair said the main focus of the talks had been the common interest Labour and the US Democrats had in finding solutions to problems of social and economic insecurity.

Discussions between his office and the president's on mutual policy development would continue, Mr Blair added, but no formal process had been set in train.

UK NEWS DIGEST

Regulations for banks tightened



The Bank of England yesterday extended the powers of accountants appointed to help it regulate banks. The Bank's action follows recommendations made by the Board of Banking Supervision into the collapse of Barings in February 1995. Barings failed after Mr Nick Leeson, a trader based in Singapore, ran up \$1.4bn losses through unauthorised derivatives trades. At present banks must commission reporting accountants, often their auditors, to report to the Bank of England periodically on systems and controls, and on the accuracy of statistical returns. Proposed changes to this system were broadly outlined in January this year.

Yesterday the bank published details of these changes which will come into effect on April 15. Reporting accountants will in future be asked to report on operations within the banking group - other than the bank itself. These could include operations outside the UK. The Bank may also commission special reports if required - when for example a bank significantly changes its business - in addition to the routine reports which are normally made annually. Banking associations and the leading accountancy firms were consulted over the changes.

Jim Kelly, Accountancy Correspondent

Fujitsu to expand in N Ireland

West Belfast, one of Northern Ireland's most economically blighted areas, received a further jobs boost yesterday with the announcement of a £7.36m (\$11.82m) expansion by Fujitsu, the Japanese electronics company.

The decision to expand, creating an additional 100 jobs at the Springfield plant, follows a trip last month to Japan by Business Danton, the Northern Ireland economy minister.

The factory, on an industrial estate on the peace line between the Roman Catholic and Protestant areas, will make telecommunications switching gear for British Telecommunications and other companies.

The latest announcement comes in the wake of local press reports that Emerson Electric of Missouri, the parent company of the Larn-e-based engineering concern F.G. Wilson, is poised to make a large-scale diesel engine investment in the area, possibly in collaboration with Caterpillar, the US plant manufacturer.

John Murray Brown, Belfast

Sony set for price war with Sega

A price war is looming in the video games market as Sony, the Japanese electronics group, is considering following its arch-rival Sega, by slashing the price of its 32-bit games system from £299 (\$454.48) to £249.

At the beginning of this month Sega announced that it was undercutting Sony by reducing the price of the Saturn games system to £249 in a special three-week price promotion.

Sales of the Saturn have since doubled. Sega is now expected to leave the price at £249 and Sony is understood to be considering cutting the price of its PlayStation system, now £299, to a comparable level.

So far the PlayStation has sold 3.9m systems worldwide, against 3.6m for the Saturn. The Sony system, which has achieved global hardware and software sales of £2bn, has sold 200,000 machines in the UK, thereby outselling the Saturn.

Sega recently announced that it was rationalising its European sales operation. Both Sega and Sony will face fresh competition next autumn when Nintendo, another Japanese games group, launches its Ultra 64, a 64-bit games system.

Alice Raushorn, London

Immigration rate steady

Immigration into Britain has been remarkably steady during the past decade and contributes close to one-third of the country's total population growth.

According to the Office of Population, Censuses and Surveys, total immigration to Britain - defined as people intending to stay for 12 months or more - has fluctuated at around 210,000 people every year for most of the past decade.

The largest proportion of immigrants - more than 25 per cent - come from the European Union, but nearly as many arrive from the new Commonwealth, including the Indian subcontinent, Africa and the Caribbean. The EU is also the most popular destination for emigrants, followed by the old Commonwealth - Australia, New Zealand, South Africa and Canada - and the US.

There is also a very high turnover of immigrants, with at least half of all entrants in 1994 planning to stay for less than four years.

Mark Steman, London

Best business book awards made

A history of one of the world's largest banks and a book which could transform Japanese management style are the first winners of the Financial Times/Boo Allen & Hamilton Global Business Book Awards. The winner of the best business book of 1995 was *Die Deutsche Bank 1870-1995* by Lothar Gall, Gerald D. Feldman, Harold James, Carl-Ludwig Holtfrerich and Hans E. Buechgen, published by C.H. Beck.

The winner of the best management book was *Intellectualising Capability* by Noboru Kano and Kazuhiro Nonaka, published by Nikken Katoji Shimbunsha Publishing.

Professor Harold James, receiving the award for *Die Deutsche Bank*, said its publication was a testament to the courage of the bank, which commissioned its own history in spite of having to deal with the ugly period of the Nazi dictatorship.

"It is an important part of modern German life to think about the lessons of history, one of which is that the suppression of economic freedoms is connected with the suppression of political freedoms," he said.

Intellectualising Capability, which has not been published in English, is a study of the way in which organisations treat and create knowledge. The study of the global judging panel, Mr Edwin L. Artzt, chairman of the executive committee of the board of directors of Procter & Gamble, said the book had the potential to overhaul Japanese - and ultimately the rest of the world's - management style.

Peter Aspen, London

Best business book awards made

A history of one of the world's largest banks and a book which could transform Japanese management style are the first winners of the Financial Times/Boo Allen & Hamilton Global Business Book Awards. The winner of the best business book of 1995 was *Die Deutsche Bank 1870-1995* by Lothar Gall, Gerald D. Feldman, Harold James, Carl-Ludwig Holtfrerich and Hans E. Buechgen, published by C.H. Beck.

The winner of the best management book was *Intellectualising Capability* by Noboru Kano and Kazuhiro Nonaka, published by Nikken Katoji Shimbunsha Publishing.

Professor Harold James, receiving the award for *Die Deutsche Bank*, said its publication was a testament to the courage of the bank, which commissioned its own history in spite of having to deal with the ugly period of the Nazi dictatorship.

"It is an important part of modern German life to think about the lessons of history, one of which is that the suppression of economic freedoms is connected with the suppression of political freedoms," he said.

Intellectualising Capability, which has not been published in English, is a study of the way in which organisations treat and create knowledge. The study of the global judging panel, Mr Edwin L. Artzt, chairman of the executive committee of the board of directors of Procter & Gamble, said the book had the potential to overhaul Japanese - and ultimately the rest of the world's - management style.

Peter Aspen, London

Pump contract: Weir Pumps, a subsidiary of Weir, the Glasgow-based engineering company, has won a £4.4m (\$6.6m) order to supply pumps for the BP's ETAP oil field in the North Sea.

Railtrack sell-off offers investors share discounts

By Krishna Guha in London

Private investors will be offered a discount worth up to £120 or a bonus of one free share for every 15 purchased when Railtrack - the owner of track, signalling and stations - is privatised, the government has announced.

Private client stockbrokers said the offer was "quite good" and favoured long-term investment in Railtrack shares. The discount could not be assigned a percentage value because the share price has not been announced.

Investors who "stagnate" Railtrack shares - selling part-paid shares soon after the flotation - will not be eligible for either offer, according to SBC Warburg, the UK merchant bank which is advising on the sale.

The bank said that private investors who hold their

shares until the second instalment is paid - in the next financial year - will be able to choose a discount of 15p per share or as many as 800 shares allocated. Alternatively, private investors can opt for the bonus offer of one free share for every 15 shares. This offer is available for as many as 1,500 shares allocated and held until May 31 1999.

These offers apply to private investors who register with a "share shop" - a bank, building society, broker or other financial intermediary authorised by the government to conduct the offer.

Private investors will also benefit from a discount on the first instalment, which will be set below the international offer price paid by institutions.

Mr Matthew Orr, of stockbrokers Killik & Co, said: "Every-

thing depends on the price - 15p off £1 is a 15 per cent discount, but 15p off £10 would only be 1.5 per cent off." He added that the bonus offer of one for 15 was less generous than offers in early privatisations.

Brokers said that the relative merits of the two offers could not be assessed until the price was known. The higher the price, the more attractive the bonus offer against the 15p discount.

However, Mr Stephen Lansdown, a private client stockbroker, said the discount compared favourably with recent power sector privatisations. He said that the market expected a discount of between 5 per cent and 10 per cent for private investors.

A better route, Page 9

Train drivers 'offered 20% rise'

By Robert Taylor, Employment Editor

Train drivers employed by the Great Western rail company can expect pay rises of more than 20 per cent - or £90 a week - in an efficiency deal being negotiated by Aslef, their union, and the management-owned company.

Mr Lew Adams, Aslef's general secretary, said that agreement was imminent and the union would be recommending acceptance of the offer. "This will set the pace for drivers' pay in the privatised railway industry. It provides a benchmark for drivers to other operating companies," he added.

Under the proposals, drivers' basic pay would rise from £11,564 (\$17,577) to £20,000 a year. The union has agreed to accept the abolition of overtime working and the absorption into earnings of benefits that used to add 40 per cent to the basic rate.

Aslef would also agree that up to 50 of the 375 Great Western drivers' jobs would be shed, but union officials stressed that this would be through voluntary redundancies. It is also expected that managers would have to accept redundancy as drivers took on more responsibilities as part of the deal, which is designed to make efficiency savings.

Mr Adams said yesterday, however, that the union would continue to oppose the privatisation of the railway industry. Aslef is expected to introduce a resolution at the autumn conference for the opposition Labour party, calling for a future Labour government to return the whole of the railways to state ownership.

Aslef is expected to introduce a resolution at the autumn conference for the opposition Labour party, calling for a future Labour government to return the whole of the railways to state ownership.

Safety net for beef farmers criticised

Financial Times Reporters

The meat trade sharply criticised the government's application of the beef intervention system yesterday after only 140 tonnes of British beef was bought by the European Commission compared with 8,000 tonnes for the rest of the European Union.

"The government has set up intervention in the most restrictive way possible in the UK," said Mr Peter Scott, the general secretary of the Federation of Fresh Meat Wholesalers. "We've been warning for three years that the system is inflexible, impractical and unsafe."

When intervention was triggered by last week's emergency meeting of EU farm ministers in Luxembourg, the UK was expected to account for the bulk of tenders. However, Germany, with about 4,500 tonnes, and France, with 3,000 tonnes, accounted for most of the beef bought.

Meat traders believe the government has organised intervention, which is designed to provide a safety net for farmers, in a restricted way because of its free market principles.

The British intervention board yesterday widened the categories of meat it would accept into intervention.

The board said the main reason for the low take-up of British beef into intervention yesterday was that farmers had their eye on "the main chance". Demand was picking up on the open market where they would get more for it than in intervention.

European Commission officials were surprised by the low UK figure, but suggested it reflected hopes that market conditions might improve, and uncertainty surrounding the slaughter plan to control bovine spongiform encephalopathy to be presented by the UK before the end of April.

The beef is being bought to be put into cold storage until it can be sold - the first time the intervention procedure, which produced the infamous "beef mountains" of the early 1980s, has been used for more than two years. Brussels is prepared to buy up to 50,000 tonnes of beef over a one-month period.

The government lifted its ban on imports of beef from cattle aged over 30 months after protests from Australia, New Zealand and Argentina.

Fresh boost for lossmaking Names

By Ralph Atkins, Insurance Correspondent

Lloyd's of LLOYD'S London yesterday raised hopes that lossmaking Names could get substantial extra help following revisions to its ambitious recovery plan. It is also hopeful of agreeing a £100m (\$162.00m) contribution from auditors involved in litigation at the insurance market.

Lloyd's optimism follows revised figures on the cost of setting up Equitas, a giant

reinsurance company which Lloyd's plans to take over billions of pounds of liabilities on insurance policies sold before 1993.

Equitas bills are now expected to be "markedly" lower for many Names, individuals whose assets have traditionally supported Lloyd's. Those benefiting, Lloyd's indicated, would be largely "honourable" members - those Names which have met their obligations at Lloyd's over the years.

Lloyd's is also hopeful that a £100m contribution to the recovery plan from auditors facing legal action for damages from lossmaking Names will be agreed in the next week or two. Although the figure is lower than demanded by Names, there are signs that a deal will be struck.

The auditors' contribution will help push from £2.8bn to more than £3bn the out-of-court settlement offer to loss-making and litigating Names which, along with Equitas, comprise Lloyd's recovery plan. As well as ending litigation which is crippling debt collection at Lloyd's, the out-of-court offer is intended to

soften Equitas bills. Meanwhile, Lloyd's sought to play down the impact of a court ruling in California which dismissed an attempt to block moves against the insurance market by the state's securities regulators.

The California Department of Corporations alleges investment in Lloyd's was mis-sold and wants to seize \$500m held in trust to support Lloyd's US underwriting. Lloyd's said the ruling referred to an earlier action by the department and that it would now seek to have a revised motion, filed this week, dismissed.

Irish republican held in Dublin

Financial Times Reporters

An Irish republican was being questioned by police in Dublin last night following a joint operation between British and Irish security forces in the wake of the South Quay bomb in London's Docklands.

The detention of the 28-year-old man, who was arrested on

Thursday, came after a co-ordinated hunt by Irish and UK police following the resumption of the IRA's bombing campaign on the UK mainland in February.

The UK anti-terrorist squad was reluctant to confirm that the arrest could be connected with the bomb attack in the Docklands district, which

killed two people and marked the end of the IRA's 17-month ceasefire.

The British government is due soon to publish legislation establishing elections on May 30 to a Northern Ireland forum.

US President Bill Clinton, who has been strongly involved in the Northern Ireland peace process, last night sought to apply pressure on nationalists and republicans to co-operate with the next, and potentially decisive, phase.

Mr Clinton said that the US administration had consistently pressed for talks involving "all parties committed to a peaceful democratic future" for the province.

BP sell-off may signal shift in industry structure as assets enter their final productive phase

Retirement looms for North Sea oil fields

By Robert Corzine in London

The current sale by British Petroleum of four oil fields off the Scottish coast could herald a new era for the North Sea oil industry.

In recent years government officials and oil executives have speculated about possible structural changes in the North Sea industry as many of the earlier fields approach their final productive phase.

Big operators which pioneered the development of the industry in the 1970s are expected to progressively withdraw from older fields in order to concentrate resources outside the UK or in new producing areas, such as that just opening up in the deep waters west of the Shetland Islands.

Some observers have predicted the emergence of new oil companies or consortiums of oil companies and service companies which would specialise in running fields in their final years. They would also have to oversee their abandonment.

BP's proposed sale of the Beatrice, Buchan, Clyde and Thistle fields and the oil terminal at Nigg could offer evidence that such changes are finally taking place. But the

sale also raises difficult issues both for the government and industry alike.

BP executives stress that the company is not "forced seller" of the fields, which in 1994 were grouped together under the management of a "mature asset team" (Matst), whose brief was to extend the life of the rapidly declining reservoirs. "Two years ago these fields had little value," according to BP. "But the improvement in performance has been so marked that a number of companies have recently expressed interest in these fields."

Although BP says the fields "still offer significant upside potential", they are finding it difficult to compete within the company for capital, say executives.

Finding a buyer for such assets is not merely a matter of agreeing a price. However, BP says the government must be convinced that any new operator would have the technical competence to run the fields safely, and could undertake the expensive process of decommissioning the platforms once oil production ends.

Some executives point to the US Gulf of Mexico as a model for what might occur in the

Field	Original reserves (Bbl)	Production to date (Bbl)	Min. estimate of total reserves (Bbl)	Potential recoverable with investment (Bbl)
Beatrice	136	146	150	164
Buchan	45	102	120	130
Clyde	123	169	132	139
Thistle area	380	412	426	470

* An example further development, drilling or alternative re-development schemes

UK. Dozens of small oil companies have been established in recent years in Texas and Louisiana that specialise in operating older oil fields. The lower overheads of such "Ma and Pa" operations allow them to make a profit on fields which would be uneconomic for larger companies.

But there is less scope for overhead reduction in the UK, say industry experts, because of the much harsher conditions of the North Sea and worries

over safety issues and eventual abandonment. That means that very small companies are unlikely to emerge as specialist operators in the UK.

Instead, "reputable second-tier oil companies", such as exploration and production groups with operating experience outside the UK, or consortiums which group such companies with oil service companies, are the most likely candidates to get government approval, say executives.

Handwritten Arabic text: "سكوت من الاصل"

سكرا من الامم

INTERNATIONAL COMPANIES AND FINANCE

Deutsche Telekom denies plans for C&W bid

By Andrew Fisher in Frankfurt and Alan Cave in London

Deutsche Telekom, which will raise up to DM16bn (\$10bn) in November through Germany's biggest ever share issue, aims to build up outside shareholdings in the UK and Asia worth more than DM10bn by 2000.

Communications over a "reverse takeover" through which the two companies would merge their interests.

Mr Joachim Kröske, Deutsche Telekom finance director, said this week the group's plans included possible link-ups with Cable and Wireless - in the UK or other markets - although previous attempts to form alliances with the UK company in foreign ventures had not succeeded.

It was not, however, contemplating a bid for Cable and Wireless, although it had

talked to the company as part of its continuing contacts in the industry.

C&W shares rose 18p yesterday before setting off ahead at 538p on early reports of what Mr Kröske had supposedly said at a dinner in Frankfurt on Thursday night. While stressing the UK as a priority for Deutsche Telekom, Mr Kröske there were various potential partners. "It need not necessarily be Cable and Wireless," he said.

C&W yesterday said it had had no talks with Telekom.

which were likely to lead to a bid, while BT said yesterday it was "quietly amused" by the speculation.

Analysts said yesterday that while C&W would be a considerable prize for Telekom, it would be virtually impossible to mount a successful bid. Telekom has some DM100bn of debt and is at the beginning of a complex flotation process. Furthermore, the UK government has a "golden share" in C&W and would be unlikely to allow a German takeover to proceed.

Mr Kröske said Telekom would shortly announce new ventures in the fast-growing markets of south-east Asia and did not deny reports of a possible tie-up in Thailand with Shinawatra International, a local operator.

By 2000, he said, the group's spending on stakes in other companies should amount to between DM10bn and DM20bn - about half its technology spending, which has already declined to half the 1992 total of DM32bn and would fall further each year.

Mr Kröske also said Deutsche Telekom would continue reducing its debt, which fell below DM100bn last year and would drop further to about DM80bn, half its balance sheet total of DM160bn, at the end of 1996 or the start of 1997.

He expected the federal government stake in Deutsche Telekom to fall below 50 per cent by around 2002, as it sold more shares to finance the civil servant pension burden it was taking over from the company.

NEWS DIGEST

Yahoo! shares soar on Wall St debut

Internet frenzy hit Wall Street again yesterday with the stock market debut of Yahoo!, the pioneer directory service for the World Wide Web. Yahoo!'s 2.6m share offering, initially priced at \$13, opened yesterday at \$24 1/2 and shot to \$43 1/2 by mid-session, giving the fledgling venture - a company with year-to-date revenues of \$1.5m that has yet to turn a profit - a market capitalisation of \$1.1bn.

Created in 1994 by Mr David Filo and Mr Jerry Yang, two Stanford University electrical engineering PhD students who began by simply compiling lists of their favourite Web sites, Yahoo! has become one of the most popular means of searching the Internet. Yahoo! (which stands for Yet Another Hierarchical Official Oracle) is an online directory of World Wide Web sites. For millions of Internet users, it is the first place they go when trying to find their way around the rapidly growing Internet.

"We're getting about 6m hits per day," said Mr Jerry Yang, whose business card describes him as Chief Yahoo. "This makes us the second most active web site next to Netscape's home page." Yesterday, Messrs Yang and Filo were celebrating their new-found wealth. Both are paper millionaires following the stock offering. Also cheering was Softbank, the Japanese computer distribution and publishing firm which holds a 37 per cent stake in the company.

Earlier this week Softbank increased its investment in Yahoo!, acquiring 8.5m shares at \$12.50 each, to raise its holding to 9.52m shares. Louise Kehoe, San Francisco

Roche held back by currency

Roche, the Swiss drugs company, lifted sales in the first quarter of 1996 by 6 per cent to SF3.79bn (\$3.1bn), from SF3.59bn in the same period last year. The performance was held back by the strength of the Swiss franc, when measured in local currencies, sales growth was 10 per cent.

The fastest growing division was diagnostics, with sales up 18 per cent to SF1.76bn thanks to new product launches. By contrast, sales of fragrances and flavours fell 3 per cent to SF627m, hurt by the strong Swiss franc. Sales in the biggest division, pharmaceuticals, rose 7 per cent to SF2.43bn. Daniel Green, London

Foster's bid for Rothbury Wines

Foster's Brewing, the large Melbourne-based brewer, yesterday made its second takeover foray into Australia's burgeoning wine industry with a 60 cents-a-share offer for Rothbury Wines, the New South Wales-based vintner. Rothbury had been put into liquidation this month when BRL Hardy, Australia's second largest winemaker, announced a A\$24m (US\$15.5m) offer.

The bid, worth 43 cents a share, was rejected by the target company, BRL Hardy made its bid after picking up an 18.3 per cent interest in Rothbury from Seagram Australia. Yesterday, Foster's said it, too, had acquired a 14.4 per cent stake in Rothbury - this time, from Goodman Fielder, the food manufacturing group. Nikki Tail, Sydney

Carlsberg enters Poland

Carlsberg, the Danish brewer, yesterday made its first investment in Poland's growing beer market when it was allocated 7m shares worth 127.4m zlotys (\$51m) in a controversial new stock issue by the listed Okocim brewery.

The decision by Okocim management gives Carlsberg a 31 per cent share in the brewery, and dislodges Bran and Brunnen (BBL) of Germany as the strategic investor there. Christopher Robinson, Warsaw

Mazda town greets outsider with quiet resignation

Ford's absorption of its Japanese ally reflects the need for global consolidation, writes Michio Nakamoto

For the people of Hiroshima, Mazda's sprawling car plant, which extends along the southern coast of the harbour city, shielding it from the open sea, has been a proud symbol of the region's industrial might.

The decision yesterday by Japan's fifth biggest carmaker to become part of Ford marks a break with Japan's previous aversion to foreign control of flagship industrial companies. It is also a blow to Hiroshima's intensely independent local community, which is known to regard even people from Tokyo almost as outsiders as Americans.

"It will be very difficult for Mazda people in Hiroshima to accept a foreigner as president," said one analyst. Nevertheless, the news was generally received in Japan with quiet resignation as an inevitable consequence of market forces.

Mr Henry Wallace, the Ford executive who is to become Mazda's new president, alleviated local fears by at least indicating heavy job losses were unlikely.

"The agreement between the two companies is part of a

wider trend among companies, not just in the car industry, but in a wide field, to develop global strategies as borders increasingly fall," noted Mr Masaki Iwasaki, chairman of the Japan Automobile Manufacturers Association.

Global competition has forced Japanese companies to become less inward looking and more outward since the yen's sharp appreciation. Even some of Japan's most competitive companies have been put on the defensive. Ford's acquisition is not unique in the Japanese car industry. General Motors, the world's biggest vehicle maker, owns 37 per cent of the Isuzu commercial vehicles group - though Isuzu has always had a Japanese president.

Nevertheless, the Ford-Mazda link shows Japanese carmakers fully appreciate the need for a stronger global strategy to survive the intensifying rivalry in the motor industry. While stronger companies such as Toyota, Japan's largest carmaker, have been aggressively developing global strategies with the help of fairly loose, co-operative alli-

ances in particular markets, smaller rivals lacking the resources to do the same independently are being forced to seek alliances for their survival.

Mazda always seemed more likely than most to require a stronger partner to remain viable. It has been losing money heavily for the past two years, with group pre-tax losses of Y47bn (\$439.2m) in fiscal 1994 and Y37bn in the year to March 1995. In the last financial year, to the end of March 1996, Mazda will break even, but only after asset sales.

The carmaker, which was slow to develop attractive models tailored to the changing needs of the "post-bubble" Japanese market, has seen domestic production nearly halve from a peak of 1.42m in 1980 to 771,000 last year.

Capacity utilisation at Hofu, its state-of-the-art factory in western Japan, is just 45 per cent. "We don't think this is normal," concedes Mr Yoshihiro Wada, the outgoing president sent in from Sumitomo Bank, Mazda's main bank four years ago.

Capacity utilisation at Hofu, its state-of-the-art factory in western Japan, is just 45 per cent. "We don't think this is normal," concedes Mr Yoshihiro Wada, the outgoing president sent in from Sumitomo Bank, Mazda's main bank four years ago.

Mr Koji Endo, industry analyst at Lehman Brothers in Tokyo, agrees. "The agreement indicates Ford has decided to assign small and medium-sized passenger cars and some recreational vehicles to Mazda, which will be responsible for Japan and Asia in Ford's global strategy."

Mazda is likely to concentrate on the Familia and Capella - its bread-and-butter models, and a number of recreational vehicles such as the Bongo Freestyle, he notes. Mr Wallace identified four areas where the two companies



Former Mazda president Yoshihiro Wada (left) with successor Henry Wallace from Ford

could also form the basis for a future joint "Asian" Mazda. According to Mr Booker, Autorama will probably pick up more former Mazda dealers.

Mazda also has a reputation for high quality engineering and efficient manufacturing which could help Ford when it is striving to reduce its product development and production costs. Taking control of Mazda may imply that Ford needs Mazda almost as much as Mazda needs Ford.

Additional reporting from Italy Simonian in London

could also form the basis for a future joint "Asian" Mazda. According to Mr Booker, Autorama will probably pick up more former Mazda dealers.

Mazda also has a reputation for high quality engineering and efficient manufacturing which could help Ford when it is striving to reduce its product development and production costs. Taking control of Mazda may imply that Ford needs Mazda almost as much as Mazda needs Ford.

Additional reporting from Italy Simonian in London

Along the road to Ford...

- 1920: Toyo Cork Kogyo founded in Hiroshima, making machine tools. Later renamed Toyo Kogyo
1931: Production of three-wheel trucks begins
1960: Production of first Mazda car, a two-door vehicle called Mazda R360 Coupe
1961: Technical co-operation with NSU/Wankel of Germany on rotary engine
1968: Toyo Kogyo, Ford and Nissan launch joint venture to make transmissions
1972: Cumulative production total of 5m vehicles reached
1975: Production of Ford Festiva begins under licence
1979: Ford takes a 25 per cent stake in Toyo Kogyo
1982: Mazda starts to sell Ford cars in Japan
1984: Toyo Kogyo renamed Mazda Corporation
1992: Mazda and Ford begin joint management of Mazda's US factory
1993: Mazda trucks, made by Ford, go on sale in the US
1995: Mazda and Ford agree to start joint production of trucks in Thailand
1996: Ford takes 33 per cent both companies agree to transfer control of Mazda to Ford
Source: Mazda

Find out why so many expatriates look to RESIDENT ABROAD for help

When moving abroad, you need to be fully informed of the opportunities - and the pitfalls - that you will face. Thankfully there is a monthly publication which can help - RESIDENT ABROAD. Published by the FT Magazines, and specifically written for expatriates, it brings you the latest news, views and practical help on living and working abroad - and KEEPS YOU IN TOUCH with what is happening back home.



MAKE YOUR MONEY WORK HARDER

There's a bewildering array of expatriate financial services out there - and they all want your hard-earned money. Our in-depth, but easy-to-read, coverage of the latest investment products, offshore banking services, tax advantages and world stock markets will help ensure that your earnings are put to maximum use.

MAKE THE MOST OF YOUR LIFESTYLE

With RA you can explore the customs and cultures of different countries and find ways for you and your family to enjoy leisure time together. Plus you keep up-to-date on worldwide property prices, motoring, boating, holidays and information on schools for the children. And there's much, much more to enjoy in every issue. Take advantage of our special subscription offer and receive RESIDENT ABROAD FREE for 2 months

SPECIAL SUBSCRIPTION OFFER ACT NOW to receive TWO FREE ISSUES.

Simply fill in the coupon to ensure you receive the very best reporting for expatriates - on your doorstep - every month for 14 months. All for the price of 12 issues.

Yes Please send me the next 14 issues of Resident Abroad. My first 2 issues are free.

ONE YEAR SUBSCRIPTION (INC P+P) Europe £53 (inc. UK) Rest of World £51 Resident Abroad is available only to residents outside the UK other than registered financial advisers.

Please debit my: Access Visa Amex Diners

Card No: 0000 0000 0000 0000

Expiry date: 00/00/00 Signature Date 00/00/00

I enclose my cheque payable to FT Magazines

Mr/Mrs/Miss/Ms Company Private Address Postcode

Country Nationality

EU Vat at the local must be added to the price of the subscription unless your VAT No is quoted. Non payment will result in a reduced subscription length. European Companies only EU VAT Reg No. 02599K

FT FINANCIAL TIMES Magazines

WEEKEND BUSINESS LESLEY SUMNER 0171 873 3308 LUCY BATZOVSKY 0171 873 3507 Home & Office Software REALTIME DATA - 299! The BBI for Windows™ real-time software covers LIFFE, COT, COME, Fares and all Client markets. Available on Acix. Just £39 per month plus annual fee. UK only. Call 0171 731 1400 anytime. Internet: bbi@bt.com

OSTRICH IS A RED MEAT WITH LESS THAN 3 GRAMS OF FAT PER SERVING. It has a mild beefy taste that provides a rich dining experience. This is a heart healthy alternative that pampers your taste buds. Ostrich are "free range" on commercial farms throughout North America and are raised without chemicals or artificial treatment.

The Personal Number Company would like to make you rich. A genuinely successful new business opportunity is a rarity. So it's well worth you knowing that millions of people will be buying a Personal Number for life. And you'd find it extremely rewarding to call us now on 07000 777 777

STOP PRESS! STOP PRESS! STOP PRESS! STOP PRESS! STOP PRESS! HOW MUCH OF AN 8000 MILLION MARKET DO YOU WANT? There are approximately 8 million people in the UK of whom only 10% are currently using a Personal Number. This is a massive market for a Personal Number. It is a highly successful business opportunity. Call us now on 0171 873 3308

Residential Property Development A highly successful residential property development company seeks investors to participate in a number of schemes in South East England. Min. £100K. Please write to Box No. B4434, Financial Times, One Southwark Bridge, London SE1 9HL.

Businesses For Sale PROFITABLE DISPOSAL Major water treatment company disposing profitable Division selling to National specifiers. Local Authorities etc. Manufactured products well established throughout UK. Ideal bolt onto existing business. Tel: 0118 826 871. ABERA FAX: 01434 917810

UNIVERSAL EXOTICS, OPTIONS, SWAP, YIELD, ZERO-CURVE, ADOPTS Additional spreadsheet functions for Financial Markets Professionals using Lotus 1-2-3 and Excel (Windows, OS/2, Mac). European and American style options and warrants on bonds, commodities, currencies, futures and shares. Prices range from £449 to £5,496. 100% Financially Sound Software. A Division of FPI Limited. The Royal House, 12th Floor, Abchurch Lane, London EC4N 3DF. Tel: 044 81 171 800 8000 Fax: 044 81 171 800 4100

REALTIME DATA - 299! The BBI for Windows™ real-time software covers LIFFE, COT, COME, Fares and all Client markets. Available on Acix. Just £39 per month plus annual fee. UK only. Call 0171 731 1400 anytime. Internet: bbi@bt.com

MOVE TO STAR If you are a serious investor in the London equity market and require broad coverage and flexibility, this software system is a must. The program can help you select the right investments and can help protect against losses. With only £25000 invested, you need to show just 1% improvement to offset the annual cost. Don't delay, your investments need the STAR treatment. Synergy Software 01982 404282

REAL-TIME & END-OF-DAY TECHNICAL ANALYSIS SOFTWARE FROM INDEXIA Times Powerful Technical Analysis systems to choose from. Real-time updating from the Market-by-Market, Pagers & Satellite Feeds. Free-trial download. CD-ROM disks for all UK Equities in 30 seconds - only £429 per month.

INDEXIA Research, 121 High Street, Bishops Cleeve, L65 1JH. Tel: 01452 87818 Fax: 01452 87834

MADE 11% PROFIT IN ONE WEEK BY USING MESSA AND SUMMIT

Power trading cycle based trading software by John Shiers. One press BUY and SELL signals on stocks, futures, commodities etc. Excellent profit records. High reward to risk ratio. FREE DEMO disk of this unique trading tool call MESSA(UK) Fax 0151-303-2580 Tel 0151-303-2477

SELECT 400 UNIT TRUST SYSTEM Robust Networked Package Recommended by 100 Fund Managers Complete Functionality Multi-currency Multi-asset Diversification European and Asian High Staff Productivity A fully modern, economic Platform for I.T. efficiency John O'Connell Central Software Tel 01824 654997 Fax 01824 657728 886 Nutbeam Pk St Leonards 01793 244226 Fax 01793 244548

COMPANIES AND FINANCE: UK AND IRELAND

Takeover Panel criticises BET

The Takeover Panel yesterday criticised BET, the business services group, for issuing a misleading statement about the price of Rentokil's £2.1bn hostile takeover bid for its industry rival.

Independent touches parents for £23m

A further £23m has been committed to Newspaper Publishing, publishers of The Independent and the Independent on Sunday, most of it to cover losses.

Some £14m of the total will effectively replace loans made by the two main shareholders to Newspaper Publishing.

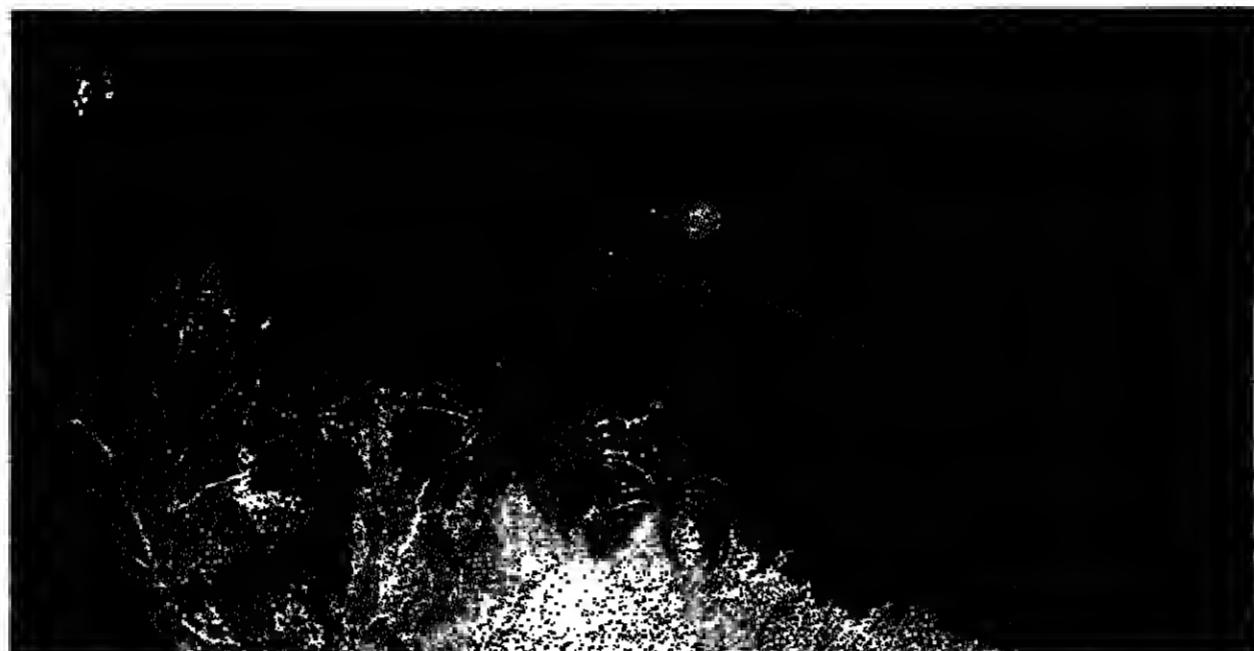
The newspaper has not had a permanent editor since the abrupt departure of Mr Ian Hargreaves last November.

The newspaper has not had a permanent editor since the abrupt departure of Mr Ian Hargreaves last November.

The newspaper has not had a permanent editor since the abrupt departure of Mr Ian Hargreaves last November.

Egypt hits Cunard with £15m reef bill

Cunard has confirmed that Egypt is demanding £15.5m (£15.4m) in compensation for damage to a coral reef struck by the loss-making cruise liner's Royal Viking Sun ship last week.



Pinning the depths: Cunard will inspect the Red Sea coral reef for recent damage

A lawyer representing Cunard and its insurers is meeting officials of Egypt's government to discuss the matter.

One analyst said: "Cunard's a complete mess. Kvaerner couldn't sell it." However, he suggested that it might change the line's management.

The company said it was fully insured for all costs except the two months' revenue lost while the luxury liner was out of action.

The company said it was fully insured for all costs except the two months' revenue lost while the luxury liner was out of action.

The company said it was fully insured for all costs except the two months' revenue lost while the luxury liner was out of action.

Mark Ashurst analyses heavy trade in the conglomerate's shares

Heavy trade in Lonrho shares on the Johannesburg Stock Exchange this week has revived speculation over South African interest in the mining assets earmarked for demerger from the conglomerate.

Lonrho shares worth about R716m (£114m), about 7.4 per cent of the shares in issue, changed hands on the Johannesburg Stock Exchange on Monday and the price remained strong against a falling market throughout the week.

The activity follows the surprise acquisition last month by Anglo American Corporation of the 53 per cent stake in Lonrho previously held by its founder, Mr Tiny Rowland.

Now Anglo has the option to take its stake to 26 per cent, but has made it clear it is interested only in Lonrho's mining assets, which include a 37 per cent stake in Ashanti Goldfields of Ghana and other mines in Africa and New Guinea.

"Ashanti would make an excellent vehicle for Anglo's gold interests in Africa, complementing the offshore activities of Miniro in Europe and Asia," said Mr David Hall, head of research at ING Barings.

Apax is on shortlist for two Signet chains

Apax, the venture capitalist, is on the shortlist of bidders for Signet's Ernest Jones and H Samuel jewellery chains.

The shortlist, drawn up by the debt-laden Signet group early this week, is believed to consist of no more than three names. Deutsche Morgan Grenfell, the merchant bank acting for Signet, is believed to have indicated that a successful bid would have to cover both chains.

NEWS DIGEST

Compass battles over Eurest

Two of the world's leading contract catering groups are locked in battle over a French business controlled by its managers. Soderho, the French group which owns Gardner Merchant of the UK, and Compass each own about a third of Eurest France. Compass acquired its share when it bought Eurest International from Accor last July for £59m.

Redland's fresh bid spurned

Ennemix, the aggregates company, has rejected an increased bid of 36p a share from Redland. The building materials group had previously bid 32p.

Greenalls to take £6m charge

Greenalls Group, the pub operator that recently entered the FT-SE 100, yesterday said it would take a £5.5m exceptional charge to cover the cost of changing its distribution and warehousing for its pubs and hotels.

Abbot held back by tax charge

Pre-tax profits at Abbot, the oil and gas services group created when Abbot Holdings reversed into Unigroup last June, rose from £364,000 in the year to September 30 1994 to £1.5m for the 15 months to December 31 1995 on the back of a strong performance by KCA Drilling, the Aberdeen-based subsidiary acquired with Abbot.

Tracker Network losses halved

Tracker Network, which distributes vehicle tracking systems, halved pre-tax losses from £3.8m to £1.6m in 1995 and predicted a profit this year.

MBO at CGA Direct

A management team has bought out CGA Direct, the insurance broker, from Oriol Group in a package worth £20m, all but £100,000 of which is funded by Morgan Grenfell Development Capital.

First Leisure sells snooker clubs

First Leisure, the diversified leisure and hotels group, has exchanged contracts on the sale of its nine snooker and pool clubs to Waterfall Holdings for a sum exceeding £6.5m.

In Brief

BRITISH THORNTON HOLDINGS is to dispose of its loss-making educational furniture business to a management buy-out team in a £400,000 deal. INTERCARE GROUP: In an initial move by its new management team, the Huddersfield-based healthcare products supplier is paying £3.1m for Sunlight, a maker of electric mobility scooters.

Competitors covet Lonrho's riches

Lonrho is expanding its operations in Ghana and Zimbabwe and is expected to produce more than 2m ounces of gold by 2000.

Lonrho is expanding its operations in Ghana and Zimbabwe and is expected to produce more than 2m ounces of gold by 2000.

Lonrho is expanding its operations in Ghana and Zimbabwe and is expected to produce more than 2m ounces of gold by 2000.



Brian Gilberison: "We don't have a problem raising cash"

Other directors awarded bonuses worth more than their annual salary were Mr God Boun Ann (a 103 per cent increase, aided by an overseas housing allowance of £51,333, to £284,509), Mr Victor Papadopoulos (up 115 per cent to £518,904), Mr Raphael Pretre-celle (up 88 per cent to £438,890), Mr Pravin Samant (up 75 per cent to £440,891) and Mr Mark West (up 11 per cent to £512,633).

Other directors awarded bonuses worth more than their annual salary were Mr God Boun Ann (a 103 per cent increase, aided by an overseas housing allowance of £51,333, to £284,509), Mr Victor Papadopoulos (up 115 per cent to £518,904), Mr Raphael Pretre-celle (up 88 per cent to £438,890), Mr Pravin Samant (up 75 per cent to £440,891) and Mr Mark West (up 11 per cent to £512,633).

Other directors awarded bonuses worth more than their annual salary were Mr God Boun Ann (a 103 per cent increase, aided by an overseas housing allowance of £51,333, to £284,509), Mr Victor Papadopoulos (up 115 per cent to £518,904), Mr Raphael Pretre-celle (up 88 per cent to £438,890), Mr Pravin Samant (up 75 per cent to £440,891) and Mr Mark West (up 11 per cent to £512,633).

New Ireland advances to I£10.4m

New Ireland Holdings, the Dublin-based life and general insurer, reported a 42 per cent increase in pre-tax profits for 1995 to I£10.4m (£10.1m), helped by a threefold increase from its general insurance business.

The embedded value of the life business, which measures investments and future discounted income flows, rose 22 per cent to I£102.2m. This included I£10m arising from the conversion of its redeemable preference shares.

Funds under management increased 23 per cent to I£1.6bn. Annual premium new business increased 4.5 per cent in a static market, while pension sales were up 9 per cent.

Annual premium income rose 14 per cent to I£78.6m, while single premium new business sales were slightly down to I£3.1m.

Directors' gains Senior executives' pay rises 100% at London Forfeiting

London Forfeiting, the specialist trade finance group, awarded senior directors an average pay increase of 100 per cent last year after reinstating their bonuses.

The bonuses, which accompanied a recovery in trading performance as profits climbed 69 per cent to £27.1m, were tied to pre-tax profits, trading performance and earnings per share. No bonuses were paid to the chairman or chief executive in 1994, when the company reported profits down 26 per cent, and other directors received only small bonuses.

Mr Jack Wilson, chairman, was paid a bonus of £394,772, more than his basic salary, which took his total pay to £719,356. In 1994, he earned £381,468. The total pay of Mr

Table with 5 columns: Turnover (£m), Pre-tax profit (£m), EPS (£), Current dividend (£), Date of payment. Rows include Abbot, Impregora Plastics, Tracer Network, and Investment Trusts.

Table with 5 columns: Turnover (£m), Pre-tax profit (£m), EPS (£), Current dividend (£), Date of payment. Rows include Abbot, Impregora Plastics, Tracer Network, and Investment Trusts.

THE RTZ CORPORATION PLC NOTICE OF MEETING Annual General Meeting Notice is hereby given that the thirty-fourth annual general meeting of The RTZ Corporation PLC will be held at the Grosvenor Hotel, Grosvenor Gardens, London SW1W 0EX, on Wednesday, 4 May 1996 at 11.00 am for the following purposes:

Handwritten Arabic text: "سكوا من الاصل"

COMMODITIES AND AGRICULTURE

WEEK IN THE MARKETS

Cocoa at 10-month high

London Commodity Exchange cocoa futures climbed to the highest level for 10 months yesterday in response to aggressive buying on a wide front.

There are some big buyers out there - specs, funds, all of them, one trader told the Reuters news agency as the July delivery position raced to £1,048 a tonne in morning trading.

At the London Metal Exchange meanwhile copper values were given a boost by a sharp fall in exchange warehouse stocks.

LME traders told Reuters that the outlook for copper was murky.

WEEKLY PRICE CHANGES

Table with columns: Commodity, Last price, Change on week, Year, 1996 High, Low. Includes Gold, Silver, Aluminum, Copper, Lead, Zinc, Tin, Cocoa, Coffee, Sugar, Wheat, Corn, Soybeans, and Oil.

BASE METALS

LONDON METAL EXCHANGE

Table showing prices for Aluminum, Copper, Lead, Zinc, Tin, and Nickel. Columns include Commodity, Unit, Price, and Change.

price data, reflecting some disappointment and a pick-up in the bond market, dealers said. The US Consumer Price Index was up 0.4 per cent compared with an expected 0.3 per cent.

Analysts remained divided over whether the 19 per cent surge in prices since the end of last month reflected temporary factors or more fundamental pressures.

PRECIOUS METALS

LONDON GOLD MARKET

Table showing prices for Gold, Silver, and Platinum. Columns include Commodity, Unit, Price, and Change.

PRECIOUS METALS continued

Table showing prices for Gold, Silver, and Platinum in various units and currencies.

ENERGY

CRUDE OIL NYMEX

Table showing prices for Crude Oil NYMEX, Heating Oil NYMEX, and Natural Gas NYMEX.

UNLEADED GASOLINE

Table showing prices for Unleaded Gasoline in various grades.

NATURAL GAS NYMEX

Table showing prices for Natural Gas NYMEX.

GRAINS AND OIL SEEDS

Table showing prices for Wheat, Corn, Soybeans, and other grains and oil seeds.

SOFTS

Table showing prices for Cocoa, Coffee, and Sugar.

MEAT AND LIVESTOCK

Table showing prices for Live Cattle, Live Hogs, and Pork Bellies.

WORLD BOND PRICES

Table showing bond prices for various countries including Australia, Canada, Denmark, France, Germany, Italy, Japan, Netherlands, Portugal, Spain, Sweden, and UK.

MARKET REPORT

By Conner Middelmann in London and Lisa Branston in New York. The BTX Juse future on Liffe rose by 0.80 point to 10.45.

US INTEREST RATES

Table showing US interest rates for Treasury bills and bonds.

BOND FUTURES AND OPTIONS

Table showing bond futures and options prices for France, Germany, and Italy.

FT-ACTUARIES FIXED INTEREST INDICES

Table showing fixed interest indices for UK Gilts and other securities.

UK GILTS PRICES

Table showing UK Gilts prices for various maturities.

GILT EDGED ACTIVITY INDICES

Table showing gilt edged activity indices.

Other Fixed Interest

Table showing other fixed interest rates for various instruments.

OTHER FIXED INTEREST

Table showing other fixed interest rates for various instruments.

OTHER FIXED INTEREST

Table showing other fixed interest rates for various instruments.

OTHER FIXED INTEREST

Table showing other fixed interest rates for various instruments.

OTHER FIXED INTEREST

Table showing other fixed interest rates for various instruments.

OTHER FIXED INTEREST

Table showing other fixed interest rates for various instruments.

OTHER FIXED INTEREST

Table showing other fixed interest rates for various instruments.

OTHER FIXED INTEREST

Table showing other fixed interest rates for various instruments.

OTHER FIXED INTEREST

Table showing other fixed interest rates for various instruments.

MARKET REPORT

By Conner Middelmann in London and Lisa Branston in New York. The BTX Juse future on Liffe rose by 0.80 point to 10.45.

US INTEREST RATES

Table showing US interest rates for Treasury bills and bonds.

BOND FUTURES AND OPTIONS

Table showing bond futures and options prices for France, Germany, and Italy.

FT-ACTUARIES FIXED INTEREST INDICES

Table showing fixed interest indices for UK Gilts and other securities.

UK GILTS PRICES

Table showing UK Gilts prices for various maturities.

OTHER FIXED INTEREST

Table showing other fixed interest rates for various instruments.

OTHER FIXED INTEREST

Table showing other fixed interest rates for various instruments.

OTHER FIXED INTEREST

Table showing other fixed interest rates for various instruments.

OTHER FIXED INTEREST

Table showing other fixed interest rates for various instruments.

OTHER FIXED INTEREST

Table showing other fixed interest rates for various instruments.

OTHER FIXED INTEREST

Table showing other fixed interest rates for various instruments.

OTHER FIXED INTEREST

Table showing other fixed interest rates for various instruments.

OTHER FIXED INTEREST

Table showing other fixed interest rates for various instruments.

OTHER FIXED INTEREST

Table showing other fixed interest rates for various instruments.

OTHER FIXED INTEREST

Table showing other fixed interest rates for various instruments.

OTHER FIXED INTEREST

Table showing other fixed interest rates for various instruments.

OTHER FIXED INTEREST

Table showing other fixed interest rates for various instruments.

OTHER FIXED INTEREST

Table showing other fixed interest rates for various instruments.

OTHER FIXED INTEREST

Table showing other fixed interest rates for various instruments.

OTHER FIXED INTEREST

Table showing other fixed interest rates for various instruments.

OTHER FIXED INTEREST

Table showing other fixed interest rates for various instruments.

OTHER FIXED INTEREST

Table showing other fixed interest rates for various instruments.

OTHER FIXED INTEREST

Table showing other fixed interest rates for various instruments.

OTHER FIXED INTEREST

Table showing other fixed interest rates for various instruments.

OTHER FIXED INTEREST

Table showing other fixed interest rates for various instruments.

OTHER FIXED INTEREST

Table showing other fixed interest rates for various instruments.

OTHER FIXED INTEREST

Table showing other fixed interest rates for various instruments.

OTHER FIXED INTEREST

Table showing other fixed interest rates for various instruments.

OTHER FIXED INTEREST

Table showing other fixed interest rates for various instruments.

OTHER FIXED INTEREST

Table showing other fixed interest rates for various instruments.

OTHER FIXED INTEREST

Table showing other fixed interest rates for various instruments.

OTHER FIXED INTEREST

Table showing other fixed interest rates for various instruments.

OTHER FIXED INTEREST

Table showing other fixed interest rates for various instruments.

OTHER FIXED INTEREST

Table showing other fixed interest rates for various instruments.

OTHER FIXED INTEREST

Table showing other fixed interest rates for various instruments.

OTHER FIXED INTEREST

Table showing other fixed interest rates for various instruments.

OTHER FIXED INTEREST

Table showing other fixed interest rates for various instruments.

OTHER FIXED INTEREST

Table showing other fixed interest rates for various instruments.

OTHER FIXED INTEREST

Table showing other fixed interest rates for various instruments.

OTHER FIXED INTEREST

Table showing other fixed interest rates for various instruments.

MarketEye logo and contact information.

Handwritten text: سكران الأصل

FINANCIAL TIMES

Number One Southwark Bridge, London SE1 9HL
Tel: +44 171-873 3000 Telex: 922186 Fax: +44 171-407 5700

Saturday April 13 1996

Mr Blair in the radical centre

By-elections in the UK are notoriously fickle guides to the succeeding general election. With the national contest probably still a year away, it would be foolish to predict certain Conservative defeat, still more a landslide Labour victory. Of far greater moment for British politics is the congruence of Thursday's Tory rout, in a fairly prosperous Midlands constituency, with Mr Tony Blair's most forthright renunciation yet of the Labour party's socialist heritage.

The speech could not have been more symbolic. Mr Blair was addressing US businessmen, as part of a US visit which saw him feted by Washington's Democratic elite from President Clinton downwards. Disdaining any mention of the word socialism, the Labour leader dubbed "New Labour" the party of the "radical centre". Its mission was to create a dynamic "one nation" society where "the days of reflex tax and spend politics are over" and every incentive is given to "entrepreneurs, innovators and wealth creators".

Stripped to its policy core, Mr John Major could have repeated the speech almost word for word. The only notable excisions would have been the pledges to a minimum wage, the EU social chapter, and playing "a more positive role in European affairs generally". Yet the last of these mirrors Mr Major's own commitment, on becoming Tory leader, to put Britain "in the heart of Europe".

While the first two were carefully hedged by statements like: "There is no question of trying to impose a German-style social security system in Britain through the social chapter."

Strong leadership

The crucial point about the speech is its credibility. Tory leaders long ago stopped deriding Mr Blair as a "pale imitation" of Lady Thatcher. Mr Blair daily preaches his determination to take on where she left off, and his popularity lies in a similar combination of strong leadership with an acute perception of the fears and insecurities of Middle England. Even Mr John Prescott, Labour's blunt deputy leader chosen for his trade union roots, yesterday proudly declared himself "middle class".

In politics, perception is all. Mr Major, Mr Kenneth Clarke and most of their cabinet colleagues are also in the "radical centre". But their party appears weak, directionless, and too easily swayed by its extremists. Unless Mr Major can change that perception, he is doomed. Yet as the election draws nearer, and the government's majority falls lower, it

becomes harder for him to do so.

It is important to ask, then, what Mr Blair's radical centre would represent in government. A parallel is often drawn with President Clinton, a politician who transformed the image of his "left-wing" party: won office, and may retain it for a second term; but has done precious little "radical" with power.

There are obvious similarities. Like Mr Clinton, Mr Blair will, if elected, work broadly within inherited fiscal disciplines. He will go out of his way to reassure the City and middle-class taxpayers. And his election manifesto will consist largely of Clintonesque platitudes about "security" and "prosperity".

Control of parliament

Also like Mr Clinton, Mr Blair will have a few solid commitments dividing him from his predecessor - notably to constitutional reforms led by Scottish devolution. But unlike Mr Clinton, he will have the means to implement them. British governments control parliament: even if Labour's majority is small or dependent upon minor parties, there will be no Mr Newt Gingrich in contention.

British governments with strong leaders tend to radicalise in office, largely because they wield such untrammelled power. There may be plenty of scope for Mr Blair to follow suit. The question is, on what front would he strike out? Two areas suggest themselves: welfare reform and European policy.

Labour will probably say little concrete about either in its manifesto. But coded shadow cabinet speeches about the need for "innovative approaches" to issues such as benefits-in-to-work and enhanced second pension provision are pointers. Nor can there be much doubt that Mr Blair offers a genuinely more favourable approach to European integration than Mr Major, constrained as the prime minister is not just by recalcitrant backbenchers (which Labour can match) but also by deep Euroscepticism within the cabinet (not so evident in the shadow cabinet).

The most revealing section of Mr Blair's New York speech lay in his comments about Europe. Of the single currency, he said: "We do not see, as the Conservatives do, an over-riding constitutional objection, but there are significant economic difficulties which are not yet resolved." Were the single currency to go ahead, Mr Blair will feel strongly tempted to join at some point. That would have truly radical implications.

The electricity switchback

Approval for generators to take over regional companies would launch a wave of restructuring in the electricity industry, says David Wighton

The controversy over the future of the UK electricity industry was renewed yesterday with the leak of a Monopolies and Mergers Commission report into the latest takeover bids in the sector.

The report recommends that National Power's bid for Southern Electric and PowerGen's offer for Midlands Electricity be allowed, creating integrated generation and distribution companies. If the report's recommendations are accepted by Mr Ian Lang, trade and industry secretary, it will reverse the separation of generation from distribution put in place at privatisation.

A minority report by Ms Patricia Hodgson, the BBC's director of policy and planning, says such a move would reduce competition and tend to increase prices - a line that found sympathy among some of the independent electricity distributors. But the large generators argued that competition would be enhanced by the creation of five or six large, vertically integrated groups.

Whatever the effects on competition, the go-ahead for National Power's bid for Southern Electric and PowerGen's offer for Midlands Electricity is expected to trigger a series of further bids in the huge industry restructuring which started at the end of 1994.

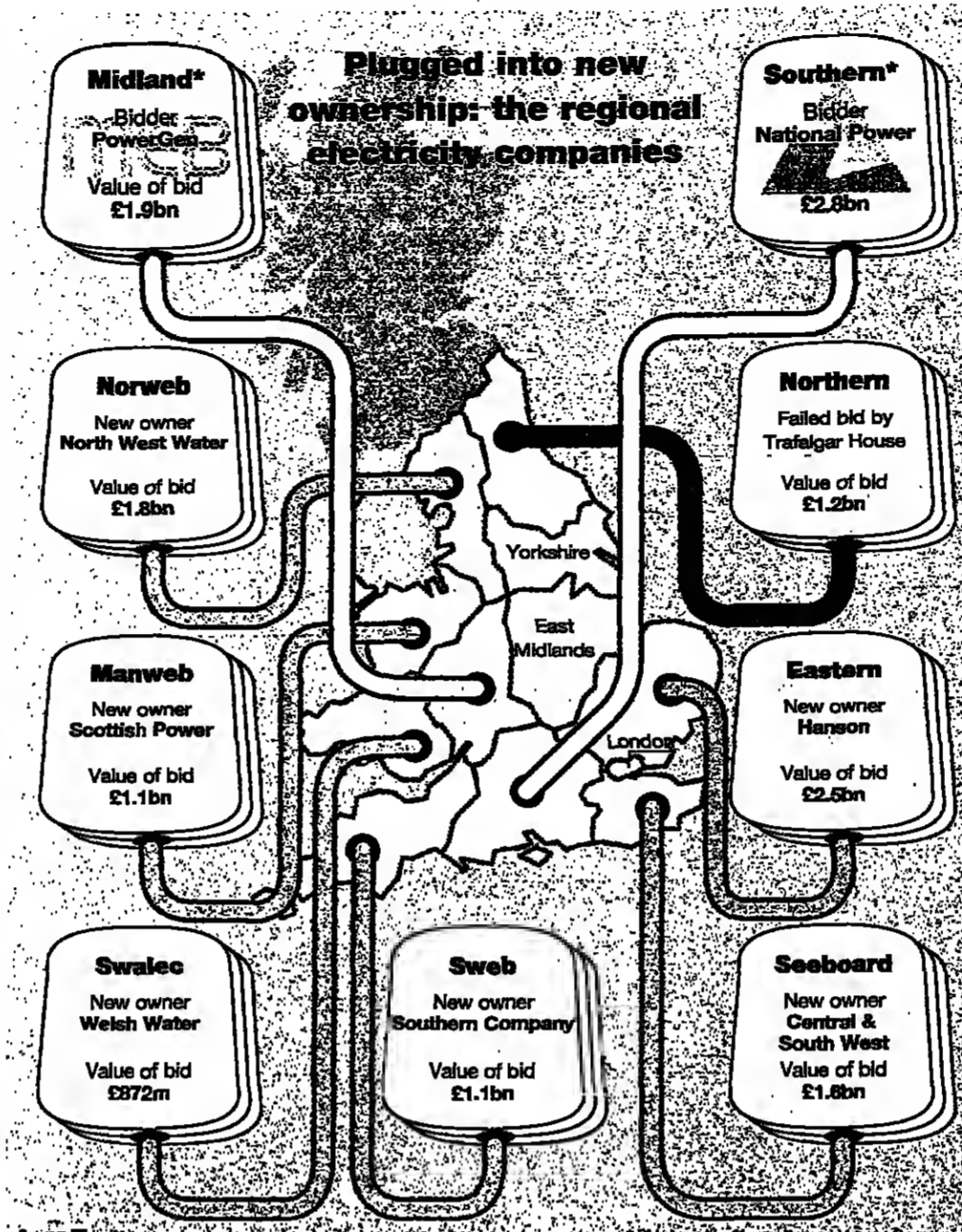
Mr John Reynolds, electricity analyst at stockbrokers James Capel, said the takeovers would lead to further cost reduction in the industry which the regulator would ensure was passed through to consumers. "This change of ownership is aimed directly at increasing efficiency which should be very good for customers. It will certainly put more pressure on the remaining independent regional electricity companies."

In the past year, seven of the 12 regional electricity companies which distribute power to consumers have been the subjects of bids, all but one of which have been successful. Analysts believe that several potential buyers, including overseas utilities, are poised to bid for the four remaining independent

recs. Despite this wave of activity, the structure of the industry has not yet changed radically. There have been no mergers between recs and of the six taken over, only one has been acquired by a company with any other interests in the UK electricity industry.

South Western Electricity and Seaboard have been bought by US utilities, Norweb and Swalec were acquired by the water companies in their regions, and the largest of the recs, Eastern, was the subject of an agreed takeover by Hanson, the industrial conglomerate.

In regulatory terms, the most significant deal was the acquisition by Scottish Power, after a fiercely fought hostile bid, of Manweb, the Chester-based rec. This was the only bid to raise the question of whether it was desirable to bring



together a generator with a distributor in a vertically integrated company.

When the electricity industry in England and Wales was privatised in 1990, generation was deliberately kept separate from the supply and distribution of electricity which was in the hands of the recs. The government believed that, at that stage, integrated companies would have too much market power and might sell their own electricity to their captive consumers even if cheaper power was available elsewhere.

In Scotland, by contrast, the industry was privatised as two integrated companies - Scottish Power and Scottish Hydro-Electric. Although Scottish Power supplies only a limited amount of electricity to the market in England and

Plugged into new ownership: the regional electricity companies

Wales, Professor Stephen Littlechild, the industry regulator, concluded that the increased level of vertical integration was worthy of an MMC investigation. However, Mr Lang ignored his advice and waved the bid through.

This controversial decision, coupled with private indications that the government had nothing against vertical integration in principle, led PowerGen to make a recommended bid for Midlands, National Power, which had previously strenuously denied any intention of buying a rec, swiftly agreed a deal with Southern.

Most of the opponents of the takeovers, notably independent recs such as Northern Electric, have argued that the increase in vertical integration is not the issue. After all, vertical integration is already increasing in England and Wales. Almost all the recs have developed generation interests, while National Power and PowerGen are now large suppliers of electricity in the com-

mercial and industrial markets where the recs' supply monopoly has been removed.

Mr John Reynolds, electricity analyst at James Capel, the stockbrokers, also points out that the vertical integration of the Scottish industry appears to have worked well. "Vertical integration brings some benefits and the MMC has praised the Scottish industry for its efficiency."

In its submission to the MMC opposing the takeovers, Northern Electric said the problem lay in the combination of increased vertical integration and with the dominant position of National Power and PowerGen in the wholesale power market in England and Wales.

In an attempt to reduce this influence, the regulator has required the two generators to make large disposals of generating stations. PowerGen has already agreed to lease two plants to Hanson's Eastern subsidiary, which is also in the bidding for three National Power stations.

Even after these disposals, however, it is estimated that the two generators will still set the price in the wholesale market 60 per cent of the time. Rivals are worried that allowing them a significantly higher share of the supply market will put competitors at a serious disadvantage.

The head of one of the remaining independent recs claimed the impact could be so severe that the company would have to consider selling itself to a larger group. "If the bids go through I will be on the phone immediately asking to join the club."

But the MMC's majority report concludes the plant disposals enforced on the generators will mean that there will be "a broadly satisfactory competitive environment from 1997". It adds that the loss of the recs' monopoly over supply to homes in 1998 should increase competition further.

Mr Dieter Helm, director of Oxford Economic Research Associates, says that whatever the problems caused by the generators' dominance of the pool, they would be made only marginally worse by allowing the bids.

For the City, the arguments about the pros and cons of the bids are now largely irrelevant since Mr Lang is widely expected to give PowerGen and National Power the go-ahead to renew their offers by the end of this month.

Investors had expected a positive regulatory response and renewed bids from the generators - so share prices rose only modestly yesterday. But some analysts believe the markets are underestimating the prices that Southern and Midlands will be able to extract from the generators.

Mr Reynolds predicts the generators will be forced to pay about 5 per cent more than the current market prices for Southern and Midlands, and that bids for some of the other regional companies are likely. Whatever the outlook for electricity consumers, the party is not yet over for investors.

LETTERS TO THE EDITOR

Number One Southwark Bridge, London SE1 9HL

We are keen to encourage letters from readers around the world. Letters may be faxed to +44 171-873 5938 (please set fax in 'time'). e-mail: letters.editor@ft.com Translation may be available for letters written in the main international languages.

Strong euro may prove to be highly regarded in EU

From Mr Peter Coldrick.
Sir, Robert Fazio says the name for the new European currency - the euro - is infelicitous ("Referendum for a rainy day", April 3). Others have also been dismissive. This is all rather odd, particularly in view of the popularity, not least among journalists, of adding Euro to all sorts of things. If Germans make an association between the health of the D-Mark and their regard for

their country, then might not people make an obvious, and positive, connection between a strong euro and the European Union?

Is this not the real, and rather clever, reason the name was chosen, and isn't this what many nationalists really fear?

Peter Coldrick,
277 rue du Bois,
Brussels B-1180, Belgium

From Mr Alan Pavelin.
Sir, Nobody seems to have realised that the government's referendum proposal is heavily weighted against joining a single European currency.

If the UK cabinet and parliament approve joining, the electorate will have the chance of vetoing that decision through a referendum. If, however, either the cabinet or parliament decides against Britain joining, the electorate will have no

opportunity to veto that decision. This is the much-valued "democracy" which the Eurosceptic advocates of a referendum have been claiming to uphold. I am amazed that Kenneth Clarke, the chancellor of the exchequer, was taken in by this.

Alan Pavelin,
172 Leasowes Hill,
Chislehurst,
Kent BR7 6QL, UK

Vague view of Christianity

From Mr Alistair Budd.
Sir, Philip Crowe assigns a rather vague and nebulous purpose to Christianity: "in worship and share in communion with other people, and to work for justice" in his interview with the Gospel writers ("The miracle on breakfast radio", April 6). Christianity provides a deep and satisfying response to mankind's spiritual hunger. Christ Jesus responded to humanity's need for healing and salvation in a practical and effective way. Jesus commanded his disciples to heal the sick and cast out demons; and said: "He that believeth on me, the works that I do shall he do also" (John 14:12). The Book of Acts records how the disciples responded to Jesus' words. A deeper commitment to the practice of genuine Christian healing is needed in the Christian church today.

Alistair Budd,
20 rue du Nord,
CH-1180 Rolle,
Vaud,
Switzerland

Unfortunate view of cherished opera singer

From Mr Ronald J. Byrne.
Sir, It was hardly necessary for your opera critic, David Murray, to insult the memory of the late Lucia Popp in his review of the revival of the Royal Opera's *Arabella* ("Belle of the ball is back", March 29). He was hardly more flattering in his description of the current interpreter, Cheryl Studer ("matronly figure", indeed).

Lucia Popp was a singer greatly cherished by British audiences who were fortunate enough to hear her,

whether in London or, occasionally, at the Edinburgh Festival where she was the most charming and natural of recitalists with none of the "grande dame" qualities which Mr Murray so despises.

Mr Murray can surely indicate his preference for a particular singer without abuse of his/her rivals. The character of *Arabella* is particularly complex, in some places seeming cold and calculating. There have in fact been many fine *Arabellas*, notably Elizabeth Schwarzkopf,

Gundula Janowitz, and Kiri Te Kanawa, as well as Popp and Lisa Della Casa. It is perhaps unfortunate that Cheryl Studer, after early success in Strauss and Wagner, moved on to roles such as Lucia and Aida, otherwise she might well have joined the select band to whom I have referred.

Ronald J. Byrne,
Top Flat East,
203 Crow Road,
Glasgow G11 7PY

Scottish scheme identifies BSE-free herds

From Mr G.D. James.
Sir, Your article "Minister seeks to limit EU slaughter demand" (April 6) quotes Lord Lindsay as speaking of the inability "to distinguish the beef coming from BSE-free herds and other herds and therefore undermining the Scottish quality assurance scheme".

This remark by the Scottish Office minister responsible for agriculture needs correcting. The whole point of the Scottish quality

farm assurance scheme is to be able to trace animals right back to their farm of birth and this is in fact done.

Also, no farmer can be a member of the scheme unless he has been BSE-free for six years. A large number of Scottish beef herds are members of this farm assurance scheme. Every herd has its individual registration number carried by a metal tag in the animal's ear. Since 1985, this

number has been unique for the whole EU. Before then the number was unique in the UK.

I am very surprised that Lord Lindsay does not appear to be aware of the rules and records of his own department.

G.D. James,
Kirkcubbin,
Newton Stewart,
Wigtownshire, DG8 0BS, UK

FINANCIAL SERVICES

The highest quality information is required to compete and survive in this dynamic environment. These publications offer you quick and easy access to the best information:

MANAGEMENT REPORTS

- Customer Loyalty in the Financial Services Industry
- Selling Financial Services in Europe
- The Future of The UK Financial Services Industry
- European Treasury Management
- UK Institutional Mutual Funds
- Virtual Financial Services
- Risk Management in Financial Institutions in Europe
- Systemic Risk Facing the World's Financial Institutions
- IT in the Financial Services Industry
- Financial Technology
- European Retail Investment
- Technical Analysis - An insight into Reading Charts

- Global Custody Services
- FT Guide to Global Central Banks
- European Bancassurance
- FT Personal Pensions 1996
- FT Executives' & Directors' Pensions 1996
- FT Top Up Pension Plans 1996
- FT Unit Trust Year Book 1996
- Pension Fund Investment in Europe
- Payment Cards in Europe
- Prepayment Cards
- Current Research in Finance
- Mergers & Acquisitions in European Financial Services
- Multimedia - Implications for Financial Services
- Financial Technology NEWSLETTER
- The Fraud Report

BLOCK CAPITALS PLEASE		06444
Name: Mr/Ms/Ms	Job Title/Position	
Company Name		
Address		
Postcode/Zipcode		
Telephone	Fax	
Nature of Business		

Please return to Charlotte Green
FT Financial Publishing,
Maple House, 149 Tottenham Court Road
London W1P 9LL, UK
Telephone: 0171 896 2314
Fax: 0171 896 2274

FT

FINANCIAL TIMES
Financial Publishing
Providing essential
information and objective
analysis for the global
financial industry

صكنا من الاجل

Man in the News - Rainer Gut

Gambler runs out of luck

Ian Rodger on the Swiss banker whose merger plan met a sharp rebuff

Rainer Gut, chairman of CS Holding, the financial services group built around the Credit Suisse bank, has long been admired by his peers for his willingness to take bold decisions.

But the feeling yesterday in Switzerland and the City of London was that Mr Gut, now in the twilight of his career, had made an embarrassing gaffe when he proposed merger talks with rival Union Bank of Switzerland last week.

The idea, briskly rejected by UBS, could have created the world's second largest bank after the recently merged Bank of Tokyo-Mitsubishi, with assets of some SF800bn and significant shares in all important international financial markets.

After a Zurich newspaper got wind of the proposal on Tuesday, Mr Gut rushed out a statement claiming a merger would be the kind of far-sighted solution needed to address "the challenges thrown up by the globalisation of financial services and the continuing restructuring process within Switzerland's banking industry".

But there was also, as so often in Mr Gut's strategic moves, an attempt to take quick advantage of a perceived opportunity. UBS's largest shareholder, the maverick Zurich

broker Martin Ebner, has been rallying support among other shareholders to block the board's nomination of Robert Studer, the former chief executive, as chairman at next Tuesday's annual shareholders' meeting.

In the past few weeks, the impression had been growing in Switzerland that Mr Ebner might succeed, as many large Swiss institutional fund managers were expressing dissatisfaction with Mr Studer's record.

Credit Suisse said in its statement that a merger discussion "could help ease the current confrontation between UBS and one of its big shareholders". But according to UBS, Mr Gut went much further in his telephone conversation with its chairman, Nikolaus Senn, insisting on an answer to his merger proposal before the UBS meeting.

UBS suspected that Credit Suisse, being a large Swiss securities dealer, might have a lot of UBS shares on its books. It concluded Mr Gut was sig-

nalling he might vote those, perhaps, decisive shares against Mr Studer unless it went along with his merger proposal.

Credit Suisse indignantly denied any attempt to blackmail UBS, but there was little it could do to retreat meekly when its rival brusquely rejected the merger idea.

Unless the clever Mr Gut is working on a longer range plan, his initiative is beginning to look like a botched attempt to imitate the spectacular exit last month by another grand old man of the Swiss business scene, Sandor's Marc Moret, who is 73, had been funding off-premises to his throne for years, but he elegantly eliminated the issue earlier this year by concluding a merger agreement with Basle neighbour Ciba.

Mr Gut, who is a Ciba director, is said to have been much impressed by this deal. Now 64 and having dominated Credit Suisse since 1982, he, too, may have seen an opportunity to

make a dramatic and timely exit.

Even before the UBS merger proposal, Mr Gut's image in Swiss business circles was showing signs of tarnish.

His last big coup, the SF1.6bn takeover of Swiss Volksbank in 1992, has gone badly wrong. It was a costly decision. Credit Suisse has had to spend more than SF700m on restructuring Volksbank, and last summer removed more than SF5bn in dodgy loans from the bank, so that it could have a fresh start.

Privately, Credit Suisse officials admit the group might be better off today if it had never taken on Volksbank and had instead got out of retail banking in the overcrowded Swiss market. But they still believe that in the long term the decision to buttress their domestic funding base will pay off.

The group's other big strategic moves under his leadership - acquiring control of the First Boston investment bank in the US and creating a holding

structure for the whole group - no longer seem as inspired as they once did. Credit Suisse was forced to restructure First Boston and pump more capital in last year, but the US investment bank still ranks well behind its main US rivals in profits.

It is unusual among Swiss bankers in that his views on banking were formed in the innovative atmosphere of New York, where, during a four-year stint at Lazard Frères in the 1960s, he became convinced that commercial and investment bankers should be kept apart.

After joining Credit Suisse in 1971, he was able to impose that view in the Swiss bank, and form an investment banking joint venture, initially with White Weld, later First Boston, that would be kept at arm's length from the bank. CSFB soon became London's top Eurobond house, and has remained a leading force in this market ever since.

The same view informed the group's decision in 1989 to cre-

ate a holding structure. It was an immensely expensive move, as taxes had to be paid on the ownership transfers. The Swiss Federal Banking Commission insisted that Credit Suisse continue to provide full equity backing for all the group's subsidiaries.

The holding structure has perhaps enabled Credit Suisse to be more flexible but it has also been less coherent, with group subsidiaries occasionally competing with each other for business. Both UBS and Swiss Bank Corporation have kept integrated structures, claiming that big international clients want all their banking needs banded in a co-ordinated way.

Meanwhile, investors have been becoming increasingly impatient with CS Holdings' lacklustre performance. It may now be slightly larger than UBS in terms of assets and revenues, but as UBS hurtfully pointed out in its statement, "in terms of share performance, earnings per share, earnings per employee and shareholders' equity, [UBS] is clearly ahead of CS Holding".

Mr Gut was lying low yesterday, but bank officials acknowledged that he was injured and licking his wounds. He once said that he would rather be lucky than smart. This week, it looks as if he has been neither.



Ratcatcher fails to show its teeth

Rentokil's bid for BET has been less hostile than other recent takeovers, says Geoff Dyer

When Rentokil launched its hostile £2.1bn takeover bid for the rival business services group BET seven weeks ago, there was a strong sense of déjà vu in the City.

To many people it looked uncomfortably like a re-run of the £3.5bn Granada takeover of Forte, which had just been completed amid acrimony and accusations of asset-stripping.

The bid thrust into the limelight Mr Clive Thompson, Rentokil's chief executive and - like Granada's Mr Gerry Robinson - one of the golden boys among City fund managers. Smooth-talking and immaculately turned out, Mr Thompson is not short on self-belief.

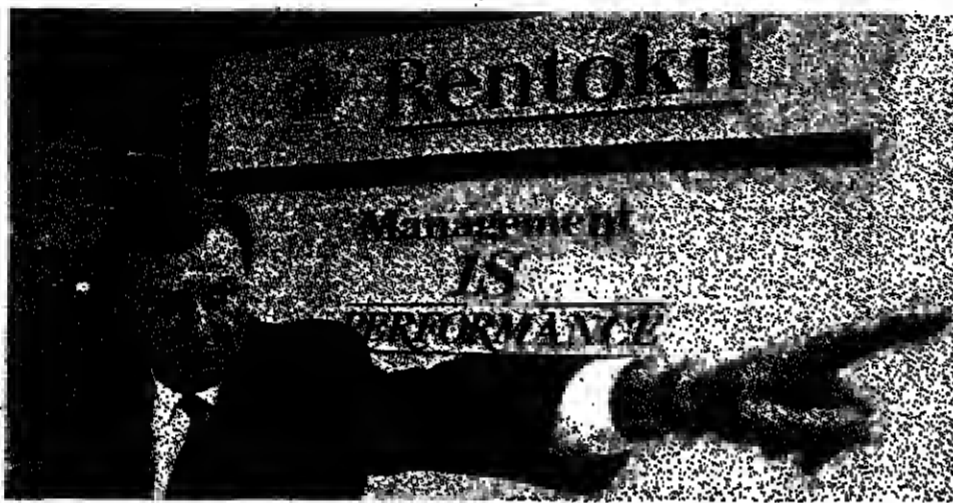
And like Mr Robinson, he came with an impressive corporate track record and boasted superior management skills. On the same day as Rentokil launched its bid, Mr Thompson unveiled an increase in earnings and profits of more than 20 per cent for the 14th year in a row.

The target company also bore some similarities to Forte. BET had recovered from near disaster in the early 1990s, when a debt-financed acquisition binge had nearly taken it down. Under the leadership since 1991 of Mr John Clark, a former US marine, BET claimed, like Forte, now to be producing impressive results which the market was ignoring.

The déjà vu was reinforced when the bid began with a round of personal insults. According to Mr Thompson, who this week raised Rentokil's offer by 14p per share: "BET was a company that was on the floor before Mr Clark took over, and it is now below the floorboards."

But the comparisons ended after the first few days. While Granada and Forte kept the pyrotechnics going throughout the bid, the Rentokil-BET match has been a much more low-key affair. One institutional shareholder described it as a "damp squib".

Some institutions are understood to have advised both sides against starting a public slanging match, which they said had been an unwelcome



Golden boy: Rentokil's chief Clive Thompson has been thrust into the limelight by the bid

part of the Granada-Forte bid. They added that BET had only a small proportion of private shareholders - the group that would be most susceptible to that approach.

BET has shunned the sort of "scorched-earth" defence developed by Forte, involving promises of special dividends and disposals of assets. The group had little scope for paying special dividends, since this would have endangered its future capital spending plans, the core of its defence.

A rapid disposals programme was also ruled out. After the group had spent the previous three years streamlining to a size Mr Clark said he was comfortable with, any disposals would have seemed like a panic measure. The companies he might have considered selling - such as its cleaning, recruitment and catering businesses - are low-margin concerns which would have been unlikely to fetch a good price in the circumstances of a bid.

There has been no queue of suitors willing to act as a "white knight" by making a higher offer for BET. As two of the biggest business services companies in the world, BET and Rentokil are almost unique and probably too large for rivals to swallow.

Nor has there been a real debate over strategy in this bid. Both chief executives have attempted to stir things up: Mr Clark insists that Rentokil wants to create a "muddled" conglomerate and will sell a large part of BET businesses; Mr Thompson claims BET is now on its third strategy in three years, with little idea of how to grow margins. But shareholders have, by and

large, taken a relaxed view. Says one: "When it comes down to it, this bid has always been about price and little else."

BET has thus adopted a two-pronged defence. The first element was to attack Rentokil's record and stock market rating - and it has been a failure.

After hitting its 20 per cent profits and earnings targets for so many years, some analysts felt that the scrutiny of a hostile takeover bid might expose some flaws in Rentokil's track record. However BET has not been able to reveal anything that undermines the Rentokil record. Since the beginning of the bid, Rentokil's shares have risen from 330p to 351p.

The second element of emphasising BET's growth record has been more successful. It was a slow start - some shareholders and analysts had become accustomed to Forte's more dramatic style - but gradually Mr Clark has been able to get his message across.

The group has produced a healthy increase in profits for the year to March 31, which are forecast to have risen by 22 per cent. A 28 per cent rise in dividends has been promised, with a further 20 per cent increase assured for next year.

Mr Clark has insisted that BET is now a fast-growing group, with the resources to spend heavily in sales and marketing and a strategy focused on high-margin areas.

At times he has boasted many of the qualities Mr Thompson claims for Rentokil. "Clark has done rather well," says one of BET's biggest shareholders.

"He has mounted a spirited defence, with some good profits and dividend forecasts."

However Mr Clark has been unable to shake off the impression that he might be happy to return to the US, having delivered a respectable exit price for BET's shareholders - despite his protestations that "I chose to live in this country". His

cause has not been helped by the news that he will make over £2m from bonuses and options if the bid goes through. Meanwhile Mr Thompson has largely kept out of the limelight since his initial burst of publicity when the offer was launched, emerging only to respond to BET's barbs. But he was back to his confident self this week when Rentokil increased its offer. Responding to suggestions that the group's growth was slowing, he claimed: "We have the opportunity and potential to keep growing by 20 per cent for the next 50 years."

With two weeks to go before the offer closes, the two chief executives have now begun a grudging trip around the institutions, lobbying for their support. The initial indications from BET's biggest shareholders is that they will side with Rentokil.

But Mr Clark is not giving up. "There is an old joke that ex-marines never get tired - they attack, attack, attack," he says. Rentokil's increased offer has disappointed the institutions, he claims, and given BET a chance.

However he is facing an uphill task. The betting is that in Granada-Forte, the City institutions will back the group with the more impressive track record.

David Buchan on France's tricky balancing act with China

It is a French government will breathe a deep sigh of relief when Mr Li Peng, prima minister of China, rounds off his visit to France with a trip to Toulouse to see the Airbus aircraft that China has agreed to buy, and then takes off this afternoon to return to the Middle Kingdom.

For it has been a testing five days trying to combine conscience with contracts, although both sides have tried to put Mr Li's visit back on a more even keel after a diplomatic row on Wednesday night nearly capsized it.

Regardless of the continued presence of a few human rights protesters outside the Chinese embassy, Mr Li's delegation yesterday signed another £771bn worth of contracts with French companies. Mr Li yesterday told the Paris chamber of commerce and industry that France and China should resolve their differences to reach a "stable long-term relationship", while the Elysee said Jacques Chirac, French president, had accepted in principle Mr Li's invitation to visit China.

The Li Peng visit to France has, once again, shown how difficult it is to strike the right balance between a firm defence of western beliefs on human rights and the desire to profit from what is potentially the world's biggest market.

Mr Yves Galland, the foreign trade minister, jubilantly claimed that the Chinese premier's visit was "a complete success on the economic level", and argued that China's "economic development will help settle the human rights problem". But, inevitably, the French government has come in for a steady stream of criticism - mainly from the socialist opposition and from trade unions - for its quasi-regular treatment of the man considered responsible for the 1989 Tiananmen Square massacre.

Mr Bernard Kouchner, a left-wing politician, complained that Mr Chirac should not be behaving solely as France's "premier tradesman". The criticism was a bit unfair as Mr Chirac's discussions with Mr Li were largely political and covered human rights as well as strategic issues such as nuclear proliferation. But the breadth of French political concern about China was demonstrated this week by more than 200 deputies and senators urging China to "decolonise" Tibet.

Dealing with China's com-

Sweet and sour banquet in Paris

Communist leadership is particularly difficult for France for two reasons. One is France's conviction that its 1789 revolution makes it the guardian of the rights of man; it was in this tradition that it gave a temporary home to Mr Deng Xiaoping, now communist China's elder statesman, when he was a young man. But, as the leftwing Liberation newspaper commented this week: "It is dangerous to want to be the country of the rights of man. One risks being taken seriously."

The other factor is more recent - France's 1992 sale of Mirage jets and missiles to Taiwan, in retaliation, Beijing closed down the French consulate in Guangzhou and froze French companies out of the Chinese market. In 1994, Mr Edouard Balladur, then France's prime minister, started fence-mending. This began well with a French declaration that it would no longer supply any offensive weapons to Taiwan.

However, when he visited China two years ago, Mr Balladur ran into trouble. He tried to handle the human rights issue as discreetly as possible, but the Chinese authorities made this virtually impossible

by rounding up - in advance of Mr Balladur's arrival in various Chinese cities - all the local dissidents they could lay their hands on. As a result, Mr Balladur found himself constantly pestered by accompanying French journalists about dissidents, and made the mistake of showing himself just as peeved with the French press as with Beijing.

This week, President Chirac and Mr Alain Juppé, the prime minister, resolved to be a bit more forthright, but nearly found themselves in the same sort of mess. For Wednesday's official banquet, linked to the signing of the all-important \$1.5bn Airbus contract, Mr Juppé had prepared a toast.

The speech, on the advice of Mr Francois Plassant, the aptly named French ambassador in Peking, contained an anodyne reference to France seeking "dialogue, but not confrontation" with China on human rights. The reference, however, was enough to anger Mr Li. His subsequent 90-minute delay in turning up for the contract signing and dinner sent French officials into a cold sweat.

In the event, Mr Li finally agreed to Mr Juppé's suggestion that neither should deliver their toasts. Contracts were



Lukewarm welcome: Li Peng with Jacques Chirac (right)

signed, dinner was eaten, Mr Juppé leaked the text of his toast to the press, and the Chinese side pretended their premier's delay had been purely technical. In this ambiguous way, honour was satisfied on both sides, just as it was over the accompanying issue of "the list". Mr Hervé de Charette, the French foreign minister, said he handed over to his Chinese opposite number a list of 20 Chinese political prisoners, requesting their release. The Chinese denied any list had been delivered, then suggested the names on it were incorrect and even that Mr de Charette's piece of paper was blank.

Yet the following day Mr Li made no fuss when he was reported to have said that he and Mr Chirac had agreed on the need for a constructive human rights dialogue. Why did the Chinese premier temporarily lose his cool? Explanations vary from the trivial - Mr Li's pique at being greeted by too junior a minister on his arrival at Orly airport - to the more substantive possibility that the Chinese leadership is now ready to talk to the west about human rights, but only in private.

France has, in fact, been instrumental in getting the European Union to open, as with Iran, a "critical dialogue" with China on human rights. The reference, however, was enough to anger Mr Li. His subsequent 90-minute delay in turning up for the contract signing and dinner sent French officials into a cold sweat.

In the event, Mr Li finally agreed to Mr Juppé's suggestion that neither should deliver their toasts. Contracts were

signed, dinner was eaten, Mr Juppé leaked the text of his toast to the press, and the Chinese side pretended their premier's delay had been purely technical. In this ambiguous way, honour was satisfied on both sides, just as it was over the accompanying issue of "the list".

Mr Li made no fuss when he was reported to have said that he and Mr Chirac had agreed on the need for a constructive human rights dialogue. Why did the Chinese premier temporarily lose his cool? Explanations vary from the trivial - Mr Li's pique at being greeted by too junior a minister on his arrival at Orly airport - to the more substantive possibility that the Chinese leadership is now ready to talk to the west about human rights, but only in private. France has, in fact, been instrumental in getting the European Union to open, as with Iran, a "critical dialogue" with China on human rights. The reference, however, was enough to anger Mr Li. His subsequent 90-minute delay in turning up for the contract signing and dinner sent French officials into a cold sweat. In the event, Mr Li finally agreed to Mr Juppé's suggestion that neither should deliver their toasts. Contracts were



Capital asset: London's Waterloo station

The UK's Conservative government hopes to launch next week a further stage of its rail privatisation programme with the publication of the pathfinder prospectus for the formation of Railtrack, the company that owns the track, signalling equipment and stations.

The proposed sell-off falls short of a considered and mature national rail transport strategy. Selling valuable national assets for a fraction of their real worth is irresponsible. To privatise the company in a single share sale, it has been endowed with contracts that require the train operating companies to pay generous access charges to use the network. If there is no change of government, the taxpayer will pay the price for years to come in the subsidies the operators will need to be profitable.

Next week, the opposition Labour party will initiate a parliamentary debate to halt the sale of Railtrack, a debate Labour could win given the size of the government's majority. However, if the sale proceeds, prospective investors will want to

know Labour's position on the company's future. A Labour government would aim to create a cohesive and responsible public railway service. This will involve three instruments of control - regulation, subsidy and a gradual increase in public ownership.

The most immediate area of influence over Railtrack will be through regulation, using the considerable powers given to the rail regulator in the Railways Act 1993. These are greater than any of the secretary of state ever had over the governing board of the state-owned railway.

Before privatisation, the transport secretary's greatest weapon lay in the right to dismiss the board - a sanction so powerful that it could never be used. The regulator needs no such weapon since his existing powers are more focused and thus

more effective. For example, the regulator can set Railtrack's access charges, which comprise at least 80 per cent of its revenue. He can determine what Railtrack does with its valuable property portfolio, and, in this way, ensure that both the land and the proceeds from development and sales are used for railway purposes.

He can also compel the company to grant access to new train operators, and change the charges and conditions imposed on them. And he can make changes to Railtrack's network licence to strengthen existing controls and introduce new ones, subject to the approval of the Monopolies and Mergers Commission.

The regulator is independent of the secretary of state, and operates under a set of statutory duties with

Personal View - Clare Short

A better way to run the railway

The Labour party's strategy would take more account of the public interest

relatively few limits on his powers. The duties are generally drawn, and require him, for example, to protect the interests of users, promote efficiency and economy, and enhance the use of the network. But a simple amendment to the Railways Act 1993 is all that would be needed for a Labour government to enhance his accountability to the transport secretary.

Labour is not interested in becoming involved in the day-to-day business of regulating the railways. However, an elected government should be concerned about the long-term future of the rail network. The relationship between the secretary of state and the regulator will be adjusted to reflect this.

In the Netherlands and Sweden, government subsidies are put directly into the rail network which

allows the train operating companies to be profitable without subsidy. This approach means that rail transport is financed in the same way as roads - the public finance goes to the infrastructure.

Labour will seek to pay the subsidy direct to Railtrack and reach agreements on the best use of taxpayers' money. My favoured way of acquiring ownership would be to take equity in the company in return for part of the annual subsidy. It would clearly be wrong to give £2bn a year to a company that might be sold for as little as £1.5bn without a proper return on public investment.

If Railtrack is privatised, its shareholders should not expect a Labour government to allow its transport policy objectives to be frustrated simply because the rail network is no longer in the public sector. Railtrack should be regarded as the trustee of assets, which must be protected, enhanced and operated in the public interest. That is a role unlike that of any ordinary commercial undertaking.

The author is the opposition Labour party's shadow transport secretary

CURRENCIES AND MONEY

MARKETS REPORT

Dollar steady

By Philip Gawth

and at \$1.5113, from \$1.5137.

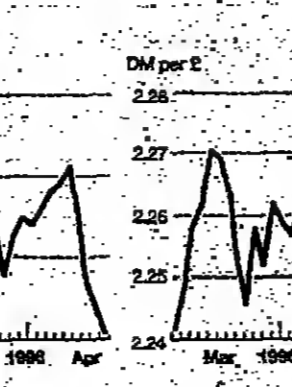
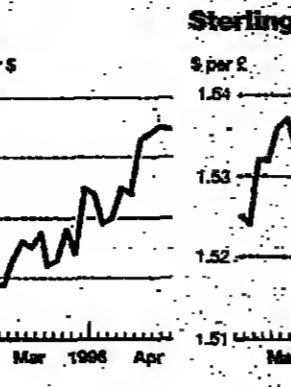
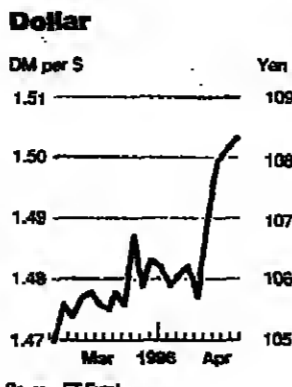
The dollar yesterday performed steadily, finishing the week with the break above DM1.50 still firmly intact.

Currency markets took comfort from the solid performance of the US bond market, despite continued signs of strength in the economy. The dollar finished in London at DM1.5037, from DM1.5013, and at ¥106.875, from ¥106.849.

In Europe currencies were fairly steady following the recent losses of the D-Mark. It finished at FF73.394 against the French franc, from FF73.369.

The Portuguese escudo finished at Esc102.7, from Esc102.6, against the D-Mark after the Bank of Portugal cut its repo rate by 20 basis points, to 7.6 per cent.

Sterling was unmoved by the government's most recent by-election defeat, which saw its majority shrink to one. It closed unchanged at DM2.2735.



Source: FT Data

The strong performance of the US bond market increased optimism that the circumstances might be falling into place for the long-awaited, presumably dollar positive, outflow of Japanese portfolio capital.

customer flows. "The dollar's rise has taken place against the background of low volumes. Fund managers are already long dollars, and unwilling to add to their exposure."

He believes the dollar is "days away from a very big move". Part of his optimism is based on momentum indicators, which chart the relationship between the current spot price and the price some fixed period previously (eg three months ago).

advance in rallies dating back to 1988 has been 27 per cent. At the current advance only just over 10 per cent, it should have some way to go yet.

POUND SPOT FORWARD AGAINST THE POUND

Table with columns: Apr 12, Closing mid-point, Change on day, Bid/offer spread, Day's mid high, One month Rate, Three months Rate, One year Rate, Bank of England Index.

DOLLAR SPOT FORWARD AGAINST THE DOLLAR

Table with columns: Apr 12, Closing mid-point, Change on day, Bid/offer spread, Day's mid high, One month Rate, Three months Rate, One year Rate, J.P. Morgan Index.

EMU EUROPEAN CURRENCY UNIT

Table with columns: Apr 12, Bid, Offer, Bid/Offer spread, Day's mid high, One month Rate, Three months Rate, One year Rate, J.P. Morgan Index.

CROSS RATES AND DERIVATIVES

Table with columns: Apr 12, Bid, Offer, Bid/Offer spread, Day's mid high, One month Rate, Three months Rate, One year Rate, J.P. Morgan Index.

BASE LENDING RATES

Table with columns: Bank Name, Rate, Currency.

WORLD INTEREST RATES

Table with columns: Country, Term, Rate, Currency.

UK INTEREST RATES

Table with columns: Term, Rate, Currency.

EUROPEAN CURRENCY UNIT

Table with columns: Country, Term, Rate, Currency.

EUROPEAN CURRENCY UNIT

Table with columns: Country, Term, Rate, Currency.

BERKELEY FUTURES LIMITED 38 DOVER STREET, LONDON W1X 3SD

CITY INDEX

COUNTY HALL 1&2 BEDROOM LUXURY APARTMENTS FROM \$99,000

FUTURES & OPTIONS TRADING Clearing and Execution Services 24 hrs

FOREX MARGINAL FOREX DISCOUNT COMMISSIONS

UK'S Top-performing Equity & Bond Fund Manager can help YOU prosper

SECURITIES AND FUTURES LIMITED

OFFSHORE COMPANIES

UK'S Top-performing Equity & Bond Fund Manager can help YOU prosper

KNIGHT-RIDDER'S FUTURES MARKET DATA FROM \$970

THE FT GUIDE TO WORLD CURRENCIES

UK'S Top-performing Equity & Bond Fund Manager can help YOU prosper

WANT TO KNOW A SECRET? The L.D.S. Gann Seminar will show you the markets REALLY work.

Petroleum Argus CALL NOW for a FREE TRIAL

UK'S Top-performing Equity & Bond Fund Manager can help YOU prosper

WORLD INTEREST RATES

Table with columns: Country, Term, Rate, Currency.

EURO CURRENCY INTEREST RATES

Table with columns: Country, Term, Rate, Currency.

THREE MONTHS EURO CURRENCY FUTURES (EMU)

Table with columns: Country, Term, Rate, Currency.

THREE MONTHS EURO CURRENCY FUTURES (EMU)

Table with columns: Country, Term, Rate, Currency.

THREE MONTHS EURO CURRENCY FUTURES (EMU)

Table with columns: Country, Term, Rate, Currency.

THREE MONTHS EURO CURRENCY FUTURES (EMU)

Table with columns: Country, Term, Rate, Currency.

THREE MONTHS EURO CURRENCY FUTURES (EMU)

Table with columns: Country, Term, Rate, Currency.

THREE MONTHS EURO CURRENCY FUTURES (EMU)

Table with columns: Country, Term, Rate, Currency.

THREE MONTHS EURO CURRENCY FUTURES (EMU)

Table with columns: Country, Term, Rate, Currency.



سكنا من الاجل

150 من الاجل

FT MANAGED FUNDS SERVICE

FT Cityline Unit Prices are available over the telephone. Call the FT Cityline Help Desk on (444 171) 873 4378 for more details.

AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as British Fund Managers Ltd, Commercial Union, Franklin Templeton, and others, with columns for fund names, prices, and performance metrics.

Guide to pricing of Authorised Unit Trusts. Includes sections on Initial Charge, Riving Price, Selling Price, Treatment of Managers, Periodic Charge, Exit Charges, and Time.

World Insurance Report advertisement. Text: 'World Insurance Report has a proven record of finding out what readers need to know. No matter what the location, market sector, company or risk, its well-established network of expert correspondents and industry contacts brings you the hard information and concise, accurate and timely analysis you need.' Includes FT logo and contact information.

FT MANAGED FUNDS SECTOR

FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (444 171) 873 4378 for more details.

Fund Name	Price	% Chg	Fund Name	Price	% Chg	Fund Name	Price	% Chg	Fund Name	Price	% Chg						
Northolme Unit Trust	1.42	+0.1	Scottish Widows' Fund	1.35	+0.2	Thames Valley Trust	1.15	+0.1	Morgan Grenfell Property	1.05	+0.3	Commercial Union Group	1.12	+0.1	Cap Life & Pensions	1.08	+0.2
Northolme Unit Trust (2000)	1.42	+0.1	Scottish Widows' Fund (2000)	1.35	+0.2	Thames Valley Trust (2000)	1.15	+0.1	Morgan Grenfell Property (2000)	1.05	+0.3	Commercial Union Group (2000)	1.12	+0.1	Cap Life & Pensions (2000)	1.08	+0.2
Northolme Unit Trust (2001)	1.42	+0.1	Scottish Widows' Fund (2001)	1.35	+0.2	Thames Valley Trust (2001)	1.15	+0.1	Morgan Grenfell Property (2001)	1.05	+0.3	Commercial Union Group (2001)	1.12	+0.1	Cap Life & Pensions (2001)	1.08	+0.2
Northolme Unit Trust (2002)	1.42	+0.1	Scottish Widows' Fund (2002)	1.35	+0.2	Thames Valley Trust (2002)	1.15	+0.1	Morgan Grenfell Property (2002)	1.05	+0.3	Commercial Union Group (2002)	1.12	+0.1	Cap Life & Pensions (2002)	1.08	+0.2
Northolme Unit Trust (2003)	1.42	+0.1	Scottish Widows' Fund (2003)	1.35	+0.2	Thames Valley Trust (2003)	1.15	+0.1	Morgan Grenfell Property (2003)	1.05	+0.3	Commercial Union Group (2003)	1.12	+0.1	Cap Life & Pensions (2003)	1.08	+0.2
Northolme Unit Trust (2004)	1.42	+0.1	Scottish Widows' Fund (2004)	1.35	+0.2	Thames Valley Trust (2004)	1.15	+0.1	Morgan Grenfell Property (2004)	1.05	+0.3	Commercial Union Group (2004)	1.12	+0.1	Cap Life & Pensions (2004)	1.08	+0.2
Northolme Unit Trust (2005)	1.42	+0.1	Scottish Widows' Fund (2005)	1.35	+0.2	Thames Valley Trust (2005)	1.15	+0.1	Morgan Grenfell Property (2005)	1.05	+0.3	Commercial Union Group (2005)	1.12	+0.1	Cap Life & Pensions (2005)	1.08	+0.2
Northolme Unit Trust (2006)	1.42	+0.1	Scottish Widows' Fund (2006)	1.35	+0.2	Thames Valley Trust (2006)	1.15	+0.1	Morgan Grenfell Property (2006)	1.05	+0.3	Commercial Union Group (2006)	1.12	+0.1	Cap Life & Pensions (2006)	1.08	+0.2
Northolme Unit Trust (2007)	1.42	+0.1	Scottish Widows' Fund (2007)	1.35	+0.2	Thames Valley Trust (2007)	1.15	+0.1	Morgan Grenfell Property (2007)	1.05	+0.3	Commercial Union Group (2007)	1.12	+0.1	Cap Life & Pensions (2007)	1.08	+0.2
Northolme Unit Trust (2008)	1.42	+0.1	Scottish Widows' Fund (2008)	1.35	+0.2	Thames Valley Trust (2008)	1.15	+0.1	Morgan Grenfell Property (2008)	1.05	+0.3	Commercial Union Group (2008)	1.12	+0.1	Cap Life & Pensions (2008)	1.08	+0.2
Northolme Unit Trust (2009)	1.42	+0.1	Scottish Widows' Fund (2009)	1.35	+0.2	Thames Valley Trust (2009)	1.15	+0.1	Morgan Grenfell Property (2009)	1.05	+0.3	Commercial Union Group (2009)	1.12	+0.1	Cap Life & Pensions (2009)	1.08	+0.2
Northolme Unit Trust (2010)	1.42	+0.1	Scottish Widows' Fund (2010)	1.35	+0.2	Thames Valley Trust (2010)	1.15	+0.1	Morgan Grenfell Property (2010)	1.05	+0.3	Commercial Union Group (2010)	1.12	+0.1	Cap Life & Pensions (2010)	1.08	+0.2

INSURANCES

OTHER UK UNIT TRUSTS

PROPERTY UNIT TRUSTS

Living

Tale

سوانح الاموال

Weekend FT



Sellafield at dusk: the plant is accused of being the centrepiece of a 'whatabout face' covering the whole back end of the nuclear industry

Living with the nuclear mess

What can be done about Sellafield? David Lascelles reports on an insider's view of the plant's potential disasters

Inside the Sellafield nuclear fuel complex in Cumbria there is a chamber with massive concrete walls containing a muddy green goo. It is a solution for treating plutonium nitrate, a deadly by-product of nuclear power plants.

This is not just a poison in the ordinary sense for it contains enough radioactive material to create a nuclear explosion, should it become too concentrated.

This nearly happened in September 1992. A welded joint inside the chamber failed, and 30 litres of the stuff was sprayed around the floor and walls. It collected in mounds, dangerously close to the size which would result in a nuclear chain reaction, similar to that which occurs when two lumps of plutonium are brought together in a nuclear bomb.

The material had to be cleaned up with extreme urgency (before it could collect

in larger mounds. But it was so highly radioactive that, even in protective suits, workers could enter the chamber for no more than a few minutes at a time.

With great courage, the workers removed the mounds in a carefully worked out sequence to avoid creating a pattern which could set them off. Had the plant been treating military grade plutonium, rather than the less concentrated type used for nuclear power stations, a terrible explosion would almost certainly have resulted.

This horrific incident - let alone all the others which have made Sellafield notorious - seems quite enough to justify its title as Britain's most feared, and hated, industrial site. The details have been made public in a remarkable new book* about the plant, written by a former director of British Nuclear Fuels, the plant's owner. He is Harold Bolter, once the industrial editor of the *Financial Times*, who

became BNFL's longest serving board member with responsibility for, among other things, safety and security.

Although many of the incidents Bolter describes are now in the public domain, his account is the first insider's view of the deeply secretive world of nuclear reprocessing. This shines a grimly fascinating light on the forthcoming privatisation of Britain's nuclear energy industry.

This month's tenth anniversary of the nuclear disaster at Chernobyl in the Ukraine will focus the world's attention once again on the safety of nuclear plants. But a far greater problem for the nuclear industry is the "back end": the spent fuel, the radioactive waste, the decommissioning, all of which are Sellafield's business. These remain huge problems for every country's nuclear industry, even the safest. They cannot be shrugged off, as Chernobyl was, with "it couldn't happen here".

Nuclear power may have its advantages: no fossil fuels, no smoke, no greenhouse gases. But are they really worth the mess that it leaves behind; or the huge financial risks when the cost of each plant is measured in billions and uncertainties about safety can double the price?

Bolter is one of those who thinks we do need nuclear power because everything else will eventually run out. He also believes that Sellafield and BNFL have impressive technical achievements to their name, and deserve to succeed.

So it is especially worrying to find that he has grave doubts about key aspects of British nuclear policy: the economic viability of reprocessing spent nuclear fuel, the decision to privatise, and the unanswered questions about the final disposal of nuclear waste.

Because of his experience, Bolter must be taken seriously even though he was forced to

resign from BNFL in 1993 after allegations - from which a police inquiry later cleared him - that he used the company's contractors to redecorate his house.

Nuclear power has such a bad name today that it is hard to recall the grand confidence almost 40 years ago, when the young Queen Elizabeth went to Sellafield to inaugurate Calder Hall, the world's first commercial nuclear power station. The event was hailed as evidence that Britain was still at the forefront of world technology. Nuclear power would provide boundless cheap energy - and throw off a useful by-product in the form of plutonium for Britain's H-bomb to secure its seat at the world's top table.

In those inspirational times, the problem of dealing with nuclear waste seemed distant and small. Sellafield's early function was to manufacture nuclear fuel and recover the plutonium afterwards, rather than deal with the resulting

waste. But the attitude of its early managers with their "secret society culture" and "scientific virility" as Bolter puts it, sowed the seeds for the appalling public relations difficulties which have dogged Sellafield ever since.

Shortly after the plant opened, in 1957, one of the two nuclear piles there was destroyed by fire. This was Europe's worst nuclear accident until Chernobyl. So ill-equipped was the plant to deal with the disaster that volunteers without protective clothing had to handle smouldering and highly radioactive reactor parts with scaffolding poles.

No one thought to alert the local population, and children played happily out of doors while radioactive contamina-

tion poured out of the sky. There was no evacuation plan, and no fast route away from the site (there still is not one).

Sellafield's civil service bosses thought it was "a little local difficulty" with no wider consequences. They little understood the huge public fears which nuclear accidents would later inspire. Although nobody was killed directly, it was later thought that the accident caused an additional 100 cancer cases in the UK.

As time went by, BNFL became, if anything, even more isolated from the British public. When, in the 1970s, it exploited its skills to take in spent fuel from overseas customers, it was branded by the

Continued on Page II

CONTENTS



- Perspectives: Everest and an actor's oxygen of challenge VI
- Travel: Zarzibar: Venice without the canals XII, XIII
- Food and Drink: British brunches from Asian breakfasts IV
- Books: Life online in the age of the Internet VII

BUCKINGHAMSHIRE



- Property: Home prices and the hot schools factor VI, VII
- Fashion: New York's sense and sensibilities V

- Arts: XI, XII
- Arts Guide: XI, XII
- Books: XI, XII
- Bridges, Chains, Crossroads: XI, XII
- Fashion: XI, XII
- Food & Drink: XI, XII
- Motoring: XI, XII
- Property: XI, XII
- Small Businesses: XI, XII
- Sport: XI, XII
- Travel: XI, XII
- Weekend Investor: XI, XII

Next week - ROYALTY
The start of a six-week examination of Europe's royal families



Joe Rogaly

Tale of two EU cities

To build New London Tony Blair's New Labour needs new money

Call it crass, call it Tory, let it pass as the same old story, but we must inquire, ever so politely - how much? That is the big one, the killer-diller, the question to be put to any politician. This week it is asked of Tony Blair, putative saviour of London.

Alas, it remains unanswered, especially when it specifies the financing of the Labour leader's proposed new Greater London Authority. Cities are expensive toys, as they can tell you in New York, Los Angeles, Paris, Tokyo and Berlin - to name some of the most highly priced. New Labour cannot create New London for free.

Doubtless Mr Blair knows as much. He is, however, busy. His eyes are set firmly on turning everyone, of whatever shade of political opinion, into an admirer. I sometimes fancy his real long-term plan is to become chancellor of a future Friedrich Hayek/Adam Smith foundation, funded by George Soros. Such is the foxy that sprouts in the spring.

Yet there is a fine line between wowing one's natural opponents and embracing them with shameless abandon. You may think Mr Blair crossed it during his visit to the US this week. He could reply, with asperity, that he has his opinion poll leads to count, and the votes cast for

Labour in Thursday's by-election to re-enter into the great equation.

Sure he has. Great, Tony. Well done. So how much? On Wednesday his Labour party put forward proposals for a new, elected, strategic authority for Britain's capital city.

Mr Blair has said he would like it to be run by a directly elected mayor. This sounds sensible, as any reader of Simon Jenkins' *Accountable to None*, now in paperback, might agree. London is at present managed by 32 elected borough councils, plus an array of quangos, puppet organisations whose strings lead back to the cabinet and the Treasury.

Since it is large enough to be a city-state the conurbation on the Thames needs a proper government. Some body, possessed of real authority, should be engaged, full-time, in promoting its interests, keeping it ahead in the world marketplace for tourism, or financial services. Transport, land-use planning, infrastructure, have to be administered. Central government, and Brussels, have to be pestered for funds. The executive doing all that should not be fragmented.

So we must cheer Labour's proposal. The idea is a runner. It needs work, as we shall see, but it is a start. Now step back

for a moment and consider where it has to get to. You can do this by looking at Berlin, which marks the other, eastern, end of the constellation of cities that stretches across the northern half of the European Union. Its story is instructive.

Berlin is a true city-state, a land within the German federation. Its constitution, its forms of governance, are a beauty to behold. On May 5 its citizens will vote in a referendum on whether to merge with surrounding Brandenburg, a rural land that has been invaded by Berliners seeking the suburban life. The arguments will doubtless cover such lofty matters as the need for an integrated transport strategy, but in reality, I suspect, the question will be, "how much?"

For Brandenburg is poor and Berlin is broke. Brandenburgers may be less than anxious to assume Berlin's debts; the sophisticates of the city are doubtless unenthusiastic

about the backwardness of the surrounding state. Federal subsidies to the former West Berlin have been reduced or withdrawn since the wall fell and the city was reunified. About 24,000 public jobs are to be cut. Federal civil servants are clinging to their offices in Bonn, resisting the celebrated plan to move to what some see as Germany's, others as Europe's, future capital.

On Monday the Anglo-German Foundation* publishes a report comparing the economies of London and Berlin. Its lead professor is Sam Aaronovich, director of the local economic policy unit at London's South Bank university. He says Berlin sees itself as a regional capital within central and eastern Europe. In no sense will it compete against London, Tokyo or New York.

To me, New Berlin sounds intriguing, but a city has to pay its debts. When I visited its separated halves before 1989 each was a matter of wonder, each for a different reason. Now insolvency overshadows all.

We do not know whether London is solvent; no city-wide budget exists. Labour's paper on an elected authority for the city has clearly been drafted by masters of wishful thinking. Present services, it says, are financed by council tax and central government

grants. "This will continue." There will be a bit of borrowing here, public/private partnerships there.

And savings to administration, produced by the slimness of the new entity. Unconvinced? Here is the *coup de grace* - "a Greater London Authority will be much more effective... at raising funds from the European Union". See how desperate they are to avoid the truth, that services cost money?

West Berlin was on a federal drip-feed, which is why its bureaucracy became so large, its government machine so overstuffed. For most of the years since 1979 London's boroughs, inefficient as many of them are, have been working to ever-tighter centrally controlled budgets. There may be some savings on sackings and unnecessary service cuts in the 32 boroughs, but they are unquantifiable.

If New Labour is to improve democracy, or infrastructure, or services in the capital city it will have to find additional revenue. This would best be extracted from the inhabitants of the city and its businesses. It is no good electing an authority and asking it to depend on Treasury hand-outs, or lottery windfalls; the election would be a waste of time. So - how much? * 17 Bloomsbury Square, London WC1A 2LP.

No 1 FOR SOLID SILVER

United Cutlers
hallmarked sterling silver cutlery sets from £1350

Why settle for anything less than the finest solid silver cutlery on your table? There are twenty glorious designs to choose from and you will find our prices equally tempting:

44 piece set for six £1350
88 piece set for twelve £2700

Single items, larger or smaller sets available

Freepost the coupon, phone or fax for our brochure and details of our direct order service. Or visit our London showroom or our showroom and factory in Sheffield.

United Cutlers

LONDON & SHEFFIELD
Petre Street, Sheffield S4 8LL. Fax: 0114 243 7128
4 Grosvenor Street, London W1 - off New Bond Street

PHONE 0114 243 3984

FREEPOST to: United Cutlers, FREEPOST, Sheffield, S4 7ZZ
(No Stamp Needed). Please send me full details of the finest silver cutlery.

Title: _____ Name: _____
Address: _____
Postcode: _____

HMS/FT/16

PERSPECTIVES

The Nature of Things

How to grow a diamond

Its special properties make this mineral ideal for electronic uses, writes Andrew Derrington

Everybody knows that diamonds are dazzling to look at and harder than any other mineral. But a diamond's crystalline structure endows it with other extreme physical properties. It is one of the best conductors of heat and one of the best electrical insulators. This unique combination makes diamond an ideal material for a range of uses from cooling supercomputers to detecting ultraviolet.

Chemically, diamond is far from exotic. It is nothing more than crystals of carbon, itself the main constituent of soot. Natural diamonds, formed under extremes of temperature and pressure, are found in deposits of kimberlite, a rare volcanic rock. Synthetic diamond can be produced at low pressures by a process called chemical vapour decomposition.

Varying the conditions of the CVD process changes the rate of growth and the quality of the diamond. James Adair and Rajiv Singh of the University of Florida, Gainesville, recently developed a

new process to cover the substrate with tiny diamond crystals; they grew the largest ever synthetic diamond - 50cm in diameter and 1.8mm thick.

Diamond owes its special properties to its crystalline structure. The atoms in a crystal are bound together by sharing electrons with each other in a sort of atomic handshake. Each atom becomes stable when it shares enough extra electrons to fill its outermost shell - all its chemically reactive hands are now full and are no longer available to form new chemical links. Carbon has four electrons in its outermost shell and space for another four, so diamond crystals

have a repeating tetrahedral structure: each atom of carbon holds hands with four neighbours.

Carbon is the smallest atom with a four-electron outer shell. So its "arms" are very short, very strong and vibrate at very high frequencies. This is what makes diamond so tough, and such a good conductor of heat - about five times better than copper at room temperature.

Its high electrical resistance comes about because the electrons are held so tightly in "handshakes" that it requires a great deal of energy to liberate one to make it carry electric current.

The high thermal conductivity of

diamond is put to use in the electronics industry. Components that produce large amounts of heat, such as Gunn diodes used to generate microwaves, are bonded to a heat spreader made from a tiny diamond wafer. The spreader conducts the heat away to a more massive "heat sink", which may itself be water cooled.

Miniaturisation, which brings the increases in speed and power demanded by the supercomputer industry, aggravates the heat dissipation problem. Speculative designs for future supercomputers contain cubic stacks of chips mounted on diamond heat spreaders and surrounded by water-

cooled heat sinks. Diamond is not yet cheap enough for use on this scale.

The stability of electrons also accounts for the transparency of diamond. Light is absorbed by exciting electrons so that they jump from one state into another. Visible and infra-red light do not contain enough energy to move an electron out of a bond, so diamond does not absorb these wavelengths.

The much higher energy photons of ultraviolet light are absorbed, making diamond an excellent material for building detectors of these wavelengths. One potential application for diamond UV-detectors, blind as they are to visible

and infra-red radiation, would be machines for automatically reading sequences of genes.

The ultimate use of synthetic diamond, according to Trevor Evans of Reading University, would be as a substitute for silicon to make semiconductors that would work in extreme conditions of temperature and radiation.

Silicon, like carbon, has four electrons in its outer shell. The essential materials for making semiconductor devices are "n-type" silicon, where some of the silicon atoms are replaced by a group 5 atom such as phosphorus with an extra electron in its outer shell, and "p-type" silicon, where the

replacement is a group 3 atom, with one electron less.

Unfortunately, diamond is much less receptive than silicon to such substitutions. Boron fits into the carbon lattice to make p-type semiconducting diamond, but the only group 5 element that fits in is nitrogen, which does not produce the expected semiconducting behaviour. "Sometimes elementary semiconductor physics is not adequate to account for the properties of impurity atoms," says Alan Collins, a physicist from King's College London.

Although diamond transistors have been produced by Kobe Steel in the US and by Daimler Benz in Germany, they do not work very well. "The fact that you can only get p-type diamond is very limiting," says Collins. So it looks as if it will be some time before the ultimate fashion accessory, a diamond transistor radio, hits the streets.

The author is professor of psychology at the University of Nottingham.

Minding Your Own Business

Change of career produces a silver lining

David Spark meets a businessman who spent nine years teaching

Tony Kelly is a silversmith and he regards himself as an anachronism. In the on-line world of off-the-shelf shopping, he makes the gifts and mementoes that you cannot buy in the shops when you are looking for something special for a particular occasion.

"I take all the requirements and put together a design and a product to suit the customer," he says. "It has to be a good design, and I have to be able to live with it going out of the door into someone else's house."

"I make only one of anything. And I insist on the client being involved in the design process."

One of his most striking works is a memorial to a saxophone player, whose saxophone is held by two silver hands.

Kelly has made large pieces for the military, particularly the gunners, but now commissions tend to be smaller - rings and jewellery. He is also well known around Kendal, in Cumbria, for the task he has set himself - to make a silver chess set, one piece a year. He has made four, rather forbidding, fantasy figures so far, and is working on two more. "I have only 26 to go, which means I'm going to be a very old man when I finish," he says.

Born in Kendal, Kelly was brought up on the outskirts of Liverpool and went to Hopwood Hall, near Manchester, to study furniture design. His tutor was the silversmithing lecturer, Ron Denny. "Denny demonstrated you could get hold of a bit of metal, heat it up, put it in acid and bash it, and produce something really beautiful. The scales fell from my eyes: it was a damascene conversion. When you're at school you don't get the chance to do things like that."

After Hopwood Hall, Kelly got the chance to offer the same experience to pupils at

De la Salle College, Salford. The principal, Brother Claude, wanted to add design to his arts-and-science curriculum. He appointed a brilliant graphic designer, Colin Gray, as head of department. Kelly and a furniture expert, Tony Livesey, joined him.

"I didn't even have a workshop when I started," he says. "I had a courtyard that was going to be built into a workshop. I made all the major purchases and spent nine years sending pupils to Middlesex College of Art, or Newcastle, Birmingham, Sheffield."

Then, in the late 1970s, the government ended the direct grant. Schools had either to go independent or come under the local authority. Salford took over De la Salle and made it a sixth-form college. Kelly had to reapply for his own job.

He sympathised with the council's aspirations for comprehensive education but resented the way it did things.

Instead, he decided to set up on his own. "I'd spotted a little niche in the arts and crafts market in Kendal. I spent many summers as a child here with a favourite aunt and uncle. And I'm still here, not making a fortune but making a living," he says.

"During the summer of 1977 I spent a lot of time just going round the area to assess what I could see as a market. I made a few pieces which I sold to shops. Then I had a conversation with someone who was working at my aunt's house. He had workshop space."

Kelly joined a sort of craft centre, which featured an antiques restorer, a cabinet-maker, an upholsterer and a silkscreen printer. "When I look back, it's naïvely bizarre. I knew nothing about running a business. I didn't have a job; I had an idea. My wife was a teacher and she didn't have a job. We had a three-year-old daughter. But I had a bank manager in Manchester who believed me and let me have an overdraft secured against



Tony Kelly at work in his shop: 'I'm still here, not making a fortune but making a living'

our Manchester house.

"I still need a working overdraft. I work like hell to reduce it."

"Within three months, I started making things and people just started appearing. They either wanted to buy what I'd already made or they were interested in having me make something special for them." Gradually, a network evolved.

"There was interest from the antiques trade, whether I'd do refurbishment and restoration work, which I did. I would rather make new but, because it brings people in, I'm happy to have some repair work."

Kelly leases his shop and lives in the flat above. He is still from the shop but it is an

essential "window for people to see things and to see me working. My counter sales are small. I don't make widgets. I try things out. People get interested and come in and see the possibilities."

He never advertises but gets publicity in the local papers if he does something special or unusual. For the city of Ripon, for example, he handled the silverwork on a Wakeham's horn given to the Queen when she presented Maundy money in 1985.

In 1980 he was nearly put out of business when Bunker Hunt tried to corner the silver market. "Things you had quoted for were escalating in price by a factor of 10," he says.

The first piece of military sil-

ver he made, he says, came about when an accountant from Newcastle visited Kendal. He was a major in the Territorial Army and wanted a piece to present to a colleague who was leaving: it was a Royal Artillery badge. This was his entrée to the military network.

Kelly made a model of a 105mm gun to be presented to the city of Newcastle. "Another time, I got a phone call and there was this Australian voice. It was a major from the Royal Australian Artillery in Townsville, Queensland. He wanted a model of one of the guns they were just receiving from the UK, and he'd seen an article in 'The Gunner'."

Then there were table centrepieces. "I did an interpreta-

tion of the Gibraltar Battery's insignia in three dimensions. That cost the battery £4,500. The biggest centrepiece on which he worked, with other craftsmen, was for the Royal Engineers. Crowned with a theodolite, it presents the history of the Ordnance Survey and contains 11kg of silver.

Now, the military is buying less, and commercial companies do not want to be seen to be splashing out. Kelly puts his annual turnover in the tens of thousands, much of it from small commissions.

"I get a lot of work from away from here. My furthest customer is in New Zealand."

A.F. Kelly, 11 Lowther Street, Kendal LA5 4DE. (Tel: 01524-724547).

Letter from Nairobi

Was I about to be mugged?

Michela Wrong is left confused by a worrying incident in Kenya

I am still trying to work out whether I was mugged just after I had moved to Nairobi to start my job as Africa correspondent for the Financial Times.

Fresh from anarchic Zaire, where most of society's rules appear to have been turned upside down, Kenya, with its British-style road signs and neat housing estates, seemed the epitome of civilisation. My defences down, I was easy and credulous prey for the growing ranks of con men operating in this fast-expanding capital.

I had been invited to a friend's house and was trying to map-read while driving, always a stressful experience. Coming around a corner I rolled down the window to ask a middle-aged Kenyan on the verge for directions.

He was holding an empty plastic container, which he brandished in my face, saying he had run out of fuel. Could I take him to the nearest petrol station? His hand was already on the door handle; he seemed certain I could not refuse. Confused and distracted, I let him in. My brain immediately started sending out hysterical alarm signals.

Memories of endless dinner party horror stories about Kenya's spiralling crime rate, tales of car-jackings and rape; visions of Julie Ward, blood-stained bodies, sexual atrocities. "She gave a complete stranger a lift - what did she expect?" I could imagine friends saying as they read the garish headlines.

Meanwhile my passenger was chatting away. He claimed to be a policeman, a statement he clearly assumed would reassure me. In Zaire, most crimes are committed by men in uniform. Was Kenya going to be any different, I wondered?

My heart pounding, I hit the main road and immediately spotted an Agip petrol station 100 metres away. Thank goodness, the ordeal was going to be a short one.

But as soon as we pulled in he was asking me for money to buy petrol. I handed over a small amount reflecting that this was the price for my stupidity. But my passenger, who, I now noticed, had alcohol on his breath, had spotted the larger notes in my wallet.

His car, he said, was a four-wheel drive and would need a lot more than this meagre contribution to get going. And how about driving him to

where it was parked? As we bickered, he kept repeating the word: "Don't worry, I have a gun."

This puzzling juxtaposition - surely he meant "Start worrying, I have a gun" or alternatively "Don't worry, I have no gun?" - so confused me I simply chose to ignore it. It was time to get out, I insisted. With petrol attendants and other customers milling around, he reluctantly complied.

No sooner had he left than I lurched for the doors and locked them, then pulled out of the petrol station. Doused in the sweat of pure relief, I was waiting for a gap in the traffic, engine revving, when there was a light tap on the window. He was back.

Cautiously, confident in the knowledge that with my foot on the accelerator and the

Relieved, I waited for a gap in the traffic when there was a tap on the window. He was back.

doors bolted I was no longer assailable, I rolled my window down an inch. "Here, take my visiting card, in case you need a policeman's help in future." Stunned, I smiled politely and waved him away before driving off.

I am sorry now I refused the card. Since that day I have learnt that the empty-petrol-can technique is one of the standard "stings" of Kenya, normally the prelude to a car-jacking or spot of extortion. Other favourites are the oil-splashed-on-wheel method, to suggest your car needs an immediate check-up, and the more direct excrement-in-a-garage approach, perfected by street children who offer, for a small fee, not to burst the contents over a smart suit.

My policeman, if policeman he was, must have been a neophyte to stage his attempt so close to a petrol station, not to press his point, and then offer me his identification. How would his card have described him? Part-Time Mugger, perhaps.

Continued from Page 1

Daily Mirror as "the world's nuclear dustbin".

The accusation was a dreadful shock to a management which thought it was doing a splendid job, earning valuable foreign exchange. The shock did finally lead to a policy of greater openness, largely at Bolter's instigation, though it is doubtful whether this has done more than hold public hostility in check. His book shows the reasons.

One is that Sellafield has not managed to convince people that it can operate trouble-free. Bolter recounts a shuddering succession of incidents.

The sprawling Sellafield site is littered with old buildings and waste stores. Once, Bolter and his fellow directors were visiting a pond containing 15 tonnes of nuclear fuel recovered from the 1957 fire when they noticed that one of the retaining walls had an alarming bulge. If the wall collapsed, the contamination could flood much of the site. A reinforcing wall was built, but that pond still exists, and will not be emptied until at least 2004.

On another occasion, a silo was found to have been leaking radioactive water at the rate of 100 gallons a day for nobody knew how long. Soon after, a leak of radioactive acid was discovered in a building which was thought to have been closed 21 years earlier. Those incidents date from

the 1970s. More recently, in 1983, a slick of radioactive waste was allowed to escape through the pipe which carries Sellafield's discharges a mile out into the Irish Sea. That led to the closure of local beaches and a ban on eating local fish. Although everything officially returned to normal six months later, the local tourist industry is still feeling the effects.

And so it goes on. Although Bolter's compression of many incidents spanning 40 years into one book makes Sellafield sound much worse than it is, the number and severity of accidents is probably irrelevant to the public's perception of the place. And public anxiety translates inexorably into higher costs. This is the root of the nuclear industry's difficulties throughout the world, par-

Living with Sellafield's nuclear mess

ticularly in the US. For no matter how many millions are spent after each incident many people remain suspicious.

In illustration of this point, Bolter describes how a BNFL advertisement intended to show that radioactive discharges were much reduced backfired badly. Far from taking this as an achievement, the public was angered to learn that Sellafield was still discharging anything at all.

Many people remain hostile because they think that much of Sellafield and the huge risks associated with it are unnecessary, particularly the newly opened Thorp plant which reprocesses fuel from later generation reactors. Thorp was started in 1976 when uranium was in short supply, and reprocessing could recover quanti-

ties of it from spent fuel - as well as the plutonium needed to sustain the cold war. The potential for foreign contracts was also large.

Today, Thorp is up and running at a cost of £2.9bn. But although Bolter fought a long and hard campaign to get it accepted, he now doubts whether it will ever be a commercial success. Uranium is now plentiful, no one wants the plutonium any more, and many of the original clients have backed off.

The potential for foreign earnings has always been cited by BNFL and the government as the clinching argument in favour of Thorp. Even if one believes the profit forecasts - and Bolter is doubtful that the contracts on which they are based are all that sound - this

line of argument has made little impact on the public. Any financial gains tend to be offset by weightier concerns over the wisdom - moral, security and otherwise - of taking in other people's nuclear waste.

As Bolter sees it, Sellafield is the centrepiece of a "Whitehall farce" covering the whole back end of the nuclear industry. Not only is Britain now committed to an expensive and probably unwanted reprocessing capability, it has also made a shambles of its plans for disposing of the resulting radioactive waste. British Energy is being privatised without final repositories for any but the most harmless forms of waste, such as workers' clothing and mildly contaminated components. The really nasty stuff - spent fuel, unwanted pluto-

nium, highly radioactive reactor parts - has nowhere to go. This means that Sellafield will, in effect, become the dump for nuclear waste by default.

As for who will pay for the safe disposal of this waste, Bolter describes the arrangements as "an organisational nightmare". Some of it will be billed to British Energy and foreign clients. But most of it will end up in the lap of the UK taxpayer. Because of this, governments will always want to push the day of reckoning further and further into the future - meaning that the waste problem will be spun out far longer than it need be. The present government has already agreed to extend the timetable for decommissioning nuclear power stations from 100 years to 135 years in order

to bring down the cost.

It is a disturbing prospect: a hugely expensive plant, part of which could become a white elephant, part a nuclear black hole.

But before rushing to condemn Sellafield, it is an inescapable fact that Britain's nuclear waste has to go somewhere, and there may be no better destination for it than Sellafield. The facility has the technology and the skills to deal with some of the most dangerous substances known to man. It lies on top of deep, ranging granite formations out of which caverns could be hewn to house nuclear waste for many millennia - though this is still being investigated.

In the long run, Sellafield may have to win grudging acceptance as an unpleasant but necessary service.

Inside Sellafield by Harold Bolter. Quartet Books. 299pp. £3.00

سكزا من الأصيل

PERSPECTIVES

Everest and the oxygen of challenge

FT journalist Richard Cowper reports on his attempt to scale Everest in the company of actor Brian Blessed, who is making his third assault

I was among Britain's most unlikely climbing partners as we set off into Tibet by jeep and yak last week in an attempt to scale Mount Everest by its windswept north ridge, scene of all the great pre-war assaults on the world's highest mountain.

In the vanguard is Alan Hinkes, a brain uncompromising, professional mountaineer at the peak of his career as an athlete, having climbed more 8,000 metres (26,200ft) Himalayan giants than any other Briton.

Teaming up with him, at 16 stone and just three months short of 60 years old, is larger-than-life actor Brian Blessed, a man obsessed by both Everest and by George Leigh Mallory, the legendary British climber who disappeared in mysterious circumstances somewhere above 27,000ft in 1924.

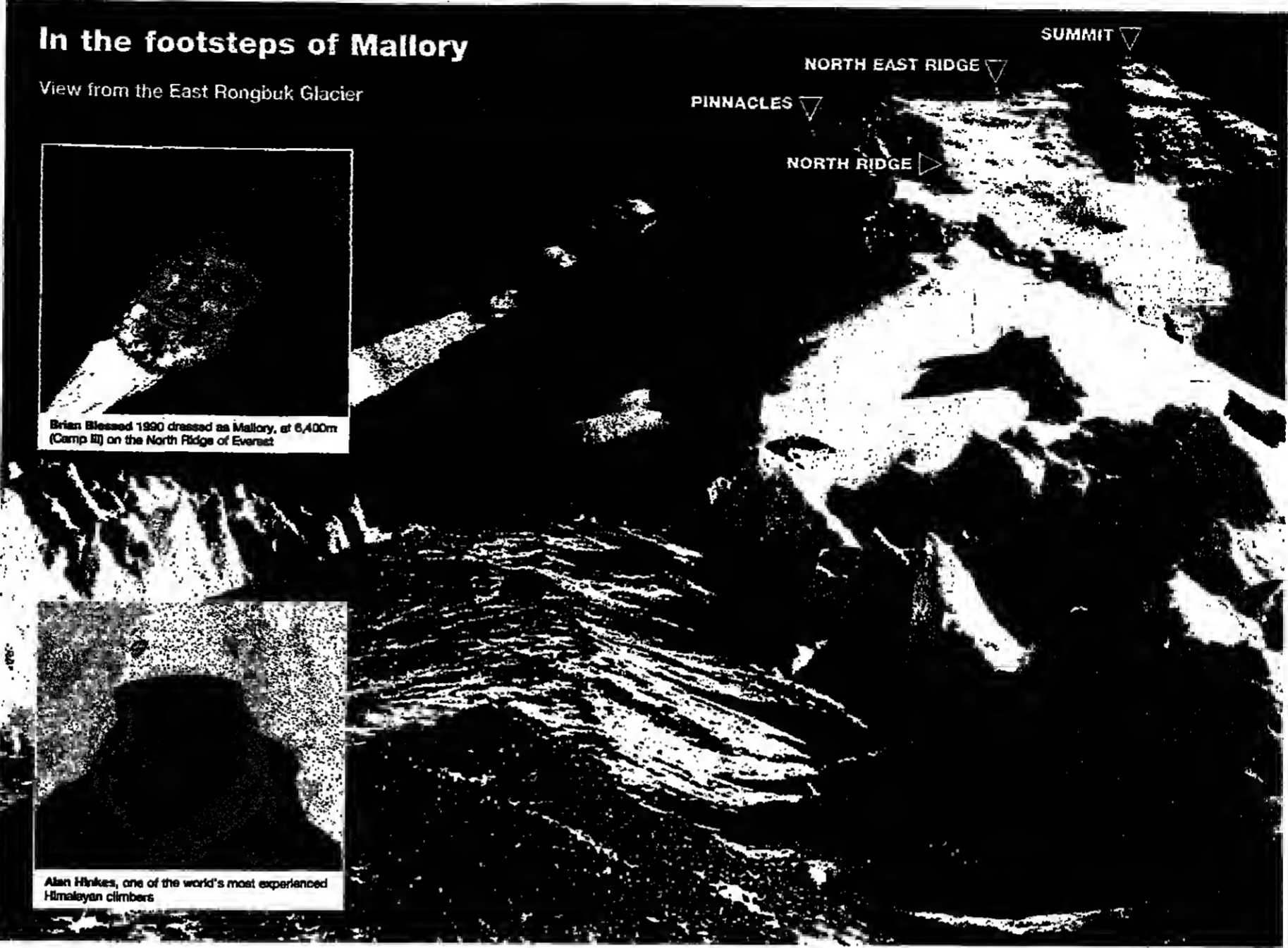
As a qualified guide and high altitude cameraman, Hinkes is being paid to accompany Blessed and film his quest for mountaineering stardom all the way to the top of the 8,848 metres (29,028ft) peak. But there seems little doubt that uppermost in Hinkes' mind will be his own desire to reach the summit.

"It's the highest mountain in the world, so it is important to me that I get to the top and knock it off. I don't want to have to go again," says Hinkes. His overriding ambition is to become the first Englishman to reach all 14 of the world's 8,000-metre summits, a feat so far achieved by just three climbers.

Blessed's is a more romantic approach. On his third - and possibly last - attempt on Everest, he had hoped to be carrying the remains of Captain John Noel, a friend and one of the earliest and greatest of Everest explorers, who died in 1909 aged 59. In 1913, Noel had even disguised himself as a Tibetan in order to get as close to Everest as possible.

Blessed's plan was to spread Noel's ashes close to the very spot where his even more famous colleagues, Mallory and Andrew Irvine, disappeared on the north ridge 72 years ago.

But, at the last moment, Noel's family decided the ashes should remain in England. Shrugging off his disappointment, Blessed says: "Instead, I am taking with me General Bruce's ice axe from 1937. More important, the Dalai Lama has given me three sacred scarves to place on the summit; one for the



In the footsteps of Mallory

View from the East Rongbuk Glacier



Brian Blessed 1990 dressed as Mallory, at 6,400m (Camp II) on the North Ridge of Everest



Alan Hinkes, one of the world's most experienced Himalayan climbers

peace of mankind, one for the mountain and one for himself."

Blessed's love affair with the world's highest summit was immortalised in 1990 with *Galahad of Everest*, a BBC documentary film in which he played Mallory. In spite of

his age and weight, hallucinating and sometimes barely able to stay upright, Blessed nevertheless carried a feat 25,400ft on his first attempt, a feat that astonished his mountaineering colleagues. One colleague who has followed

his career closely says: "Brian started six years ago by playing a part. Now, neither he nor we can tell where the acting ends and reality begins."

Blessed's flare for the dramatic reached its height during his second

attempt on Everest in autumn 1993 when he followed the "yak route", the non-traditional way to the top of the mountain on the south side, used by Sir Edmund Hillary and Sherpa Tensing in 1953.

At 2am on the morning of the

final attempt on the summit from camp IV, just under 8,000 metres on the south col, Blessed shocked his three colleagues by announcing, without warning, that he was not going to use oxygen. He told his personal guide, Martin Barnicott,

that it was not sporting. Besides which, the ungainly mask would get in the way of his relationship with the environment on the climb.

It was a crucial decision. Of the 748 individual ascents of Everest to date, more than 90 per cent have relied on bottled oxygen to compensate for the increasing lack of it as you go higher. This lack leads to difficulty in carrying out any physical activity, or thinking straight. Indeed, life above 7,000 metres is so debilitating that climbers know it as the "death zone".

Barnicott and the two other members of the team went on to reach the summit that day in perfect weather. But Blessed, left alone and unable to start until the sun rose because of the immense cold, hardly managed to get much above Camp IV. Yet it was a decision admired by those climbers who are more concerned with climbing the big peaks in style rather than simply getting to the top at all costs.

Whether oxygen will be used this time is uncertain. Blessed is said to have given Barnicott, his guide once again, a "categorical assurance" that he will. But, when quizzed on the matter before leaving, he was non-committal.

"Yes, there is great pressure on me to get to the top," he said. "I get 7,000 letters a week, and then there is all the money I am raising for hospitals and other charities. True, I struggle up to 21,000ft. But, somehow, I seem to break free at 23,000, and last time I felt good at over 8,000 metres (26,200ft). I have never used oxygen yet."

Steve Bell of Himalayan Kingdoms, the man who has organised the expedition, is in no doubt. "If he elects not to use oxygen, he will not get to the top. It is as simple as that. Only a few top-performing mountaineering athletes - Alan Hinkes is one of them - are capable of such a feat. The rest of us have to accept our mortal limitations."

But I cannot help sympathising with Brian Blessed. In all the climbs I have made, I have never used oxygen and neither have my climbing friends. But the temptation for me to use it on this trip will be great. Faced with the stark choice of "conquering" Everest with oxygen or "failing" without, I cannot be sure that I will be honourable and brave enough to take the ethical route. The expedition is being supported by Himalayan Kingdoms, North Face, Berghaus, Bollé, Snow & Rock, Lufthansa and Kodak.

You may be vaguely familiar with the television habits of the Japanese. One of the country's more richly deserved international reputations is for the weird awfulness of its broadcasting. Stilted samurai drama competes for the attention of 120m eager viewers with grotesque game shows that involve the contestants either taking off their clothes or enduring feats of physical torture beyond even the wildest imaginings of Quentin Tarantino.

Letter from Tokyo / Gerard Baker

Why Japan needs whistle-blowers

It is perhaps ironic then, that one such programme has done more damage to the reputation of Japanese television than any number of tasteless game shows. It has dominated parliamentary debate for a week, despoiling the obsequy of the prime minister and prompting calls for a public inquiry into the ethics of television broadcasting.

Its notoriety is especially remarkable since the programme has not even been broadcast. In the autumn of 1989, current affairs producers at Tokyo Broadcasting System (TBS), Japan's largest commercial television company, began researching material for a documentary about the now infamous Aum Shinrikyo, the pseudo-religious sect alleged to have been responsible for last year's poisoned gas attack on the Tokyo subway.

That it might be libellous. They demanded to see it. Instead of doing what even the most craven of reporters would do and telling them to get lost, the programme-makers actually invited the Aum members in to see the tape. Three heavies from the sect duly trooped into the studios of TBS and received a private showing.

Having seen themselves denounced by the convincing Sakamoto, the Aum members repeated their warning to TBS not to broadcast the interview. The company obliged - the interview was never broadcast. A few days later Sakamoto, his wife and their one-year-old son disappeared. Their bodies were found last September, six years later.

Culloden revisited

The last set battle in Britain took place 250 years ago next Tuesday when George II's army under the Duke of Cumberland routed the Jacobite forces of Prince Charles Edward Stuart, "Bonnie Prince Charlie", at Culloden, near Inverness, Scotland.

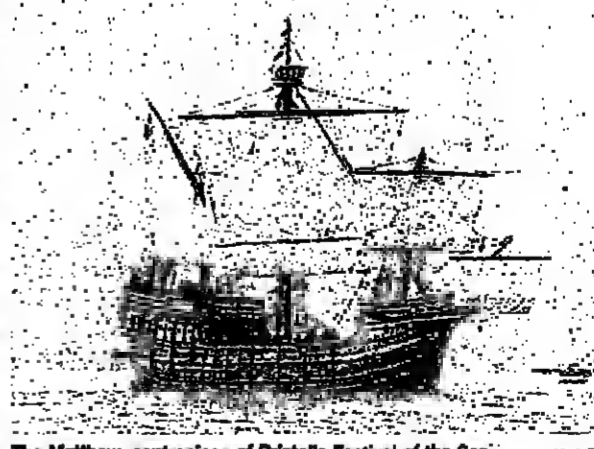
reprisals. Murder, torture, rape and pillage were the rule. The Highlanders' cattle, sheep and horses were driven south in huge numbers. The London government set out to destroy a way of life. The plaid (which kept the Highlanders warm) and kilt were forbidden, and weapons were to be handed in. The clan chiefs' authority was removed in an act of 1747. The next blow was "the Clearances" - the widespread evictions in the Highlands and Islands between 1785 and 1850 in the name of more profitable agriculture.

In Cabot's wake

The Matthew is an authentic replica of the small sailing ship in which John Cabot became the first European to visit North America, in the summer of 1497. It has taken two years to build, using entirely traditional methods, at a public slipway in Bristol and will be the centrepiece of that city's Festival of the Sea from May 24-27.

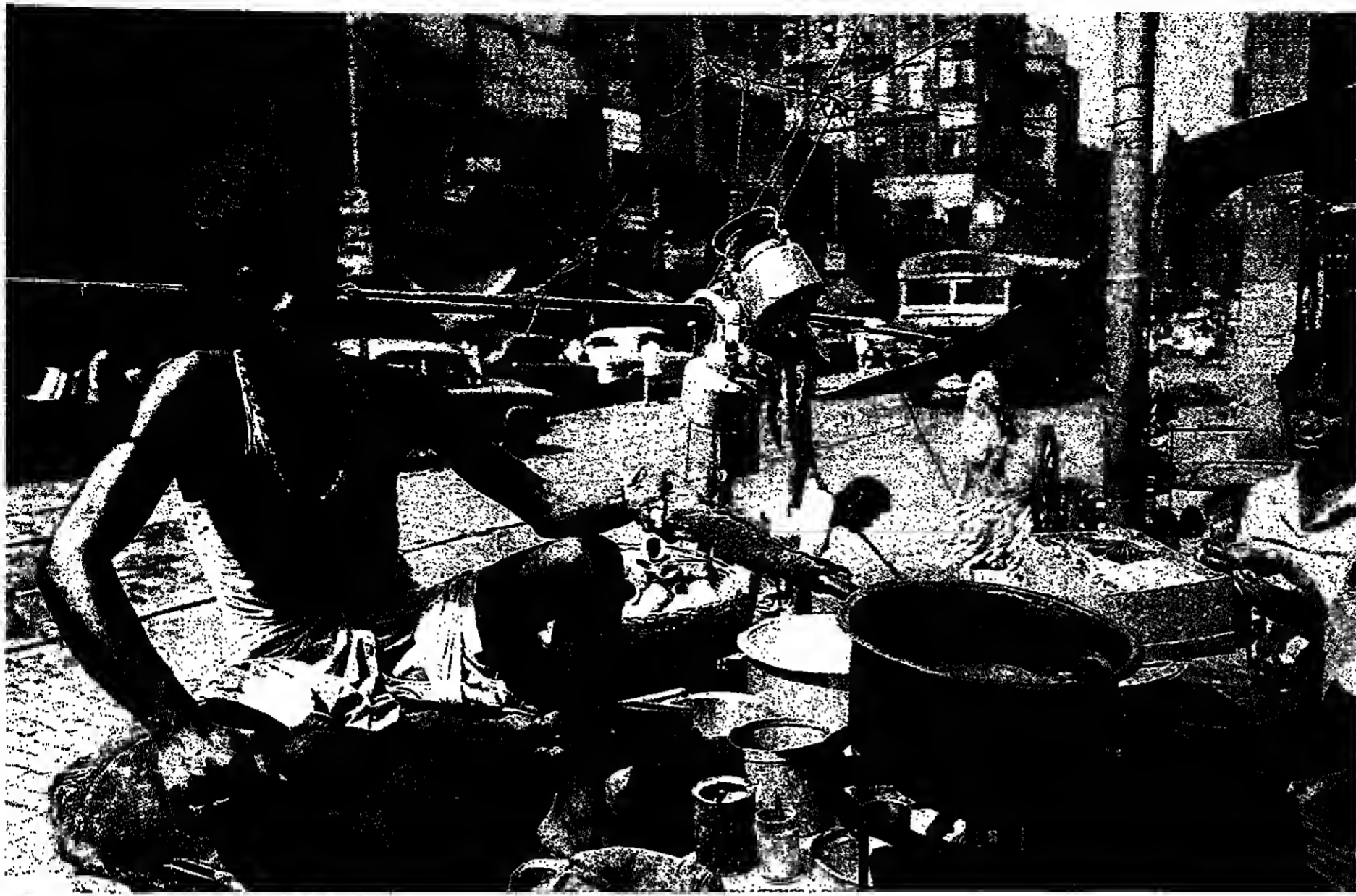
Keith Wheatley sets sail in a replica barque. The Matthew represents a considerable challenge for the modern seaman more accustomed to Kevlar and carbon fibre than manila and canvas. The skipper controls the ship from the poop deck, a long, loud shout away from the helmsman down below. David Alan-Williams, known as a racing sailor and yacht designer until now, is the skipper. He was part of the victorious New Zealand team that won the America's Cup in San Diego last year - though at the drawing board, not the helm.

and while I was steering up Channel I dealt me a blow in the ribs I will not forget in a hurry. Patience and skill are the two commodities most in demand when learning to sail a vessel like the Matthew. Strength comes in handy as well, since every rope tends to carry a significant load and winches are non-existent, with the ropes - there are so many - to anyone accustomed to the narrower style of a modern sailing vessel. Underwater she draws just six feet and her rounded hull makes her both roll and steer unpredictably.



The Matthew, centrepiece of Bristol's Festival of the Sea

FOOD AND DRINK



A city morning cuppa: hot tea with milk on the streets of Calcutta

Breakfasts

Starting the day with chapattis

George Dorgan begins an occasional series with a look at what London's Asian community offers

My first "Indian" breakfast was in Sylhet in northern Bangladesh, across the border with Assam, and it was not just the strong, local tea that was an eye-opener.

Over the years, I have tried a lot of sub-continental cuisines, but Indian breakfast was terra incognita, a new world to explore.

As first experiences go, this one was special. After all, not every visiting journalist gets invited to the district governor's Raj-period bungalow for breakfast, but the fact that I was in a party which included a visiting MP probably helped.

There were about a dozen of us breakfasting on chapattis and a lightly spiced mutton curry, *pooris*, a kind of cabbage cooked in ghee and a variety of sweets - Bangladeshis share a sweet tooth with the Moslem-influenced part of northern India stretching across to Pakistan.

It is not easy to find Indian restaurants in the UK that serve breakfast, but it is worth the effort to search them out. Restaurants in the heart of Indian communities do breakfast dishes at the weekends and the south Indian vegetarian restaurants will serve traditional breakfast items for lunch and dinner.

Namita Panjabi is director of cuisine at Chutney Mary's in King's Road, London SW10, and is one of the public faces of Indian cooking in England.

She says that Indian breakfasts are basically brunches: "People don't get up at 7am and leave for work. The whole business community starts much later, at 11am, so a substantial

breakfast is your main daytime meal and is eaten at 10.30am."

Indian breakfast dishes would make a wonderful weekend brunch. There are probably thousands of breakfast dishes, reflecting the range of local produce across the sub-continent.

South India concentrates on rice products and *dhal* and, by common consent among chefs, has had the greatest influence: dishes from the south are served at breakfast all over India. North India will have wheat and either a vegetable or something sweet. Very few pockets - like the Parsis (who are Zoroastrians) or Goans (many of whom are Christians) or the Moslems - will have non-vegetarian items for breakfast.

Henry Lobo, chef at Veeraswamy, in Regent Street, London, is from Goa but when he thinks of breakfast he thinks of the infinite variety of south Indian dishes.

Some, like *masala dosa*, a crispy rice and lentil flour pancake stuffed with spicy potato and *utappa*, a sort of pizza made from white lentil dough topped with chopped onion, tomato, coriander and chillies, are regularly served in south Indian vegetarian restaurants. So are *idlis*, steamed rice flour cakes served with *sambhar*, a vegetable broth of *dhal*, aubergines, and okra flavoured with asafoetida; served with green coconut chutney.

You would have to look far and wide to find *dahi vada* - deep-fried doughnuts of fermented lentil dough, flavoured with onions, coriander, green chilli, soaked in slightly sweetened yoghurt. *Masala poha*, from the west Indian state of Maharashtra, is a mix of flaked rice and diced potato with mustard and cumin

seeds, curry leaves, onion, turmeric, chopped tomatoes and coriander.

I find myself craving *upma*, a humble cross between porridge and cous-cous, made from pan-roasted semolina, flavoured with mustard seeds, *urid dhal*, curry leaves, cashews, chopped onion and coriander.

Fans of Indian cuisine working in the City of London will probably be familiar with Cyrus Todiwala, the chef/proprietor of Café Spice Namaste. In the past few years his exciting cooking has attracted a loyal following. He is now in partnership with Michael Gottlieb (owner of Smolensky's) and in premises that are as lively as his cooking.

Todiwala made the best egg dish I have ever tasted, called *okori*. This is soft - almost runny - scrambled eggs with a base of long-cooked onions, ginger, garlic, green chillies and flavoured with tomato, coriander, lemon juice, sultanas and sugar.

I thought his *upma* was perfect as he adds ginger, garlic and green chillies. He also prepared a spicier version of *idlis* from Kerala called *vada idli*, made from semolina and yeast with tomatoes, green chillies, ginger and curry leaves to flavour the steamed cakes.

Todiwala is a Parsi and they often have meat or fish for breakfast, frequently using offal and less popular fishes. He makes fried kidneys and liver, which are first rubbed and left to stand with tandoori spices - coriander, cumin, turmeric, ginger, garlic and red chillies.

The same method is used with grey

mullet, devil fish and other cuts of offal such as the spleen. Enam Ali is chef/proprietor of Le Raj in Epsom, Surrey, and one of the founders of the Guild of Bangladeshi Restaurateurs. The spiced tea he prepared recently for the British Tea Council is a traditional breakfast drink - made with Sylheti tea, which is strong, dark and astringent, boiled with cinnamon, cardamom, milk and sugar.

We shared some traditional Bangladeshi breakfast dishes as the sun was sinking over Epsom Downs, including *dim bhaji* - a spicy omelette made with onion and hot red and green chillies, flat folded like an envelope. It can be eaten with *chapatti* or *paratha*, and the dish reflects the Anglo influence in Indian cooking.

The Bangladeshi sweet tooth showed in dishes like *sana*, a moderately sweet homemade cheese flavoured with rose water, served with *kam fruit* (like passion fruit) and sugar cane sprinkled on top. All also prepared *sufi halwa*, a sweet small cake made with very fine-grained semolina, cooked in water and milk, with cinnamon, cardamom and ghee.

I tried two extraordinary Pakistani dishes made by A.W. Qureshi, chef/proprietor at Machaan on King's Road, Chelsea. Halma is a fabulously rich, fragrant stew/broth/porridge of mutton, lentils and spices slowly cooked for six or seven hours, served with green chillies, ginger and well-browned onions and is a pre-taste of paradise. *Nechari* is an even longer cooked mutton shank stew that just falls off the bone and is served with *naan* bread. Very rich, loaded with calories and worth starving yourself for. Both can be found on Sunday

mornings in restaurants in Pakistani communities.

Nareesh Mata, chef at the Red Fort in Soho, is from Delhi and along with familiar *pooris* (wholewheat bread that puffs up in frying) served with spicy potatoes, he also makes *patara* - like a *poori* made from refined white flour with yoghurt and ground semolina - and this is served with *chole*, spicy chick peas, Tamarind sauce or tamarind and date chutney usually go with it.

Sufi halwa is also popular around Delhi and Mata makes his loose, like a sweet porridge, with sultanas and cashews. *Parathas* are popular for breakfast, filled with potato, green chillies, coriander and ground pomegranate seeds.

Mehernosh Mody is also a Parsi and is chef at London's first Franco-Indian restaurant, La Porte des Indes, a luxurious 350-seater at Marble Arch which is run by the group behind The Blue Elephant at Fulham Broadway.

He offered another version of *okori* made from boiled - instead of scrambled - eggs. Onions, green chillies and ginger are cooked with tomatoes, adding the chopped egg whites, chopped coriander and gently stirring in the whole, boiled yolks at the end.

And a popular breakfast snack sold by street vendors in Bombay is made with a spicy mashed potato mix seasoned with coriander, green chillies, onions, turmeric and red chilli powder, spread on sliced white bread, dipped in gram flour batter and deep fried.

All ingredients can be obtained from Indian shops or by post from The Curry Club, PO Box 7, Haslemere, Surrey GU27 1EP. Tel: 01428-653327.

Shopping
Great lady revisited

Giles MacDonogh on a top traiteur

About 15 Christmases ago, long before there was any whiff of *glasnost* in the air, the French press copied a story from their Soviet counterparts. Pravda or Ivestia, or one of the even less respectable papers of the day, had published a glowing article about food queues in Paris. It was emblazoned with a picture of the place de la Madeleine and a long line of elegant *parisiennes* in mink coats armed with shopping baskets. "You see," the caption allegedly ran, "it happens even in France."

There is no reason to believe that the picture was a fake. At Christmas time it is not unusual to see long queues outside the city's best *traiteurs*, as well-heeled families stock up on their *foie gras*, *boudins blancs truffés*, smoked salmon, caviar and other luxuries for the festive season. One shop I know, the minuscule Coesnon in the rue Dauphine, is even considered enough to take *litts petits chauds* out to the waiting hordes.

In the place de la Madeleine are Paris's two most famous *traiteurs*: Hédard and Fauchon. The latter was founded by Anguste Fauchon in 1898. Fauchon was a humble Norman who began to ply his trade from a glorified barrow on the place de la Madeleine.

With time the barrow gave way to a lean-to on the corner of the place and the rue Vignon, where Fauchon's main building still stands. Then the temporary structure turned into the building we know today, and Fauchon had added a wine shop, saloon for afternoon tea and *pâtisseries* to the original conception.

By 1910 Fauchon had taken over five houses in and around the place de la Madeleine. A catalogue published about that time makes interesting reading. For example, there were rather more English products on display than one might have imagined: plum pudding, Humbley and Palmer's biscuits, Grosse (sic) and Blackwell's jams, Colman's mustard and Reading Sauce. There was also Jameson Whiskey from Dublin and Dewar's whiskey from Scotland.

There was plenty of Russian caviar but French products naturally dominated the range: sugared almonds for christenings, *morrans glacés*, Madeleines from Commercay as favoured by Proust, fruit compotes, asparagus from the Paris suburb of Argenteuil, truffles, *foie gras*, *pâté en croûte* extra virgin olive oil from Nice and Houdan chickens (which fetched a higher price than those from Bresse).

River fish were rather more valued then, with gudgeon and tanch selling for the same amount as salmon. The wine list surprises, not only by the place accorded to top German wines but also because Saint Emillion and Pomerol often achieved better prices than Médoc. The 1899 Petrus was 25 centimes more expensive than the 1904 Lafite. The most expensive wine of all was the 1874 Château Mondot-Troing (sic) from Saint Emillion. As is so often the case, Fan-

chon's children lacked the acumen of their father. After his death in 1938 the business slumped. In 1952 his heirs sold out to Joseph Filoosoff who pumped new life into the shop by negating the seasons, and confounding the Parisians with offers of cherries and strawberries at Christmas-time: the result of his close links with Air France.

Today Fauchon is run by Filoosoff's granddaughter, Martine Fremat. My own experience of Fauchon goes back to a leaner youth. Like every other struggling man or woman in Paris I had my nose pressed up against the windows in the place de la Madeleine, staring at the extraordinary *canards aux fruits*: whole ducks decked with slices and pieces of fruit; or the piles of *boudins* stuffed with every imaginable delicacy; the terrines and the *pâtés* and the fabulous workmanship of the *pâtisseries*. I rack my brains, but I cannot recall a single occasion when I went in.

That was before Martine Fremat's time. She took over in 1986 and one of her first objectives was to democratise the *Grande Dame de la Madeleine*. Gift ideas were remodelled to bring them within the reach of the average Frenchman. Fauchon counters were established in 500 French supermarkets with a limited range of their most famous products: moustards, jams and biscuits.

Fremat introduced another concept to Fauchon. In the 1920s the shop had a luncheon room. She decided to recreate it and put other restaurants and eating places into spare corners, so that now you can eat caviar, oysters, or an Italian meal in the trattoria after picking up your shopping. The *traiteur* continues to provide ready-made food of superb quality.

The new star attraction is the restaurant "le 30" which is open for lunch and dinner. Here the chef, Bruno Deligne, produces dishes of the highest standard, such as an escalope of fresh *foie gras* with preserved apricots, or an ox cheek roasted for six hours. The cakes are brought up from Fauchon's famous *pâtisseries*, Pierre Hermé.

In a cafeteria, downstairs there is a *caféteria* which claims to sell the cheapest espresso in Paris, and where excellent sandwiches, salads and grills may be had, if not for a pittance, at very competitive prices. I am sceptical, however, as to whether there is much scope for a "People's" Fauchon.

Fauchon was the stuff of dreams, or very fat wallets. The place would need to do rather more than alter the shape of its necktie before it could fit in with the Soviet world view. And it is questionable whether such a view has any more validity anyhow.

Fauchon, 26 place de la Madeleine, Paris 75002. Tel: 47 42 60 11. Le 30, 47 42 56 53. Fauchon outlets are to be found in Brighton at John Lewis (0171-727 7111) and Selfridges (0171-629 1234) in Oxford Street, London.

British summertime signals the start of the salad season. Well, that is the theory. In practice, snowflakes are fluttering past the window as I write. It is a half-hearted effort, just a few flakes, like the tired tail-end of a pillow-fight, but the temperature is too close to zero to think in terms of eating crisply chilled foods.

The Little Gem lettuce I bought in a moment of optimistic enthusiasm will have to be cooked. Never mind, they are almost better hot than cold, and more unusual served that way.

Sometimes I braise them whole with nuggets of butter and a splash each of vermouth and chicken stock. Sometimes I split them and stuff them before braising. But when time is short I quarter them or shred them and cook them on top of the stove, as described below.

The only trouble is that you

need larger quantities of lettuce for cooking than for making salads, and as Beatrix Potter pointed out in *Peter Rabbit*, eating a lot of lettuce can have a soporific effect. This is not the season for slipping into hibernation, so it may be wise to allow a few days in between cooking these recipes.

PRAWNS WITH LETTUCE AND COCONUT CREAM
(serves 4)

The phrase "Mad tiger prawns" may raise a few eyebrows but fear not. It does not refer to some sinister newly discovered disease in crustaceans; it is merely the abbreviation used by the fish counters of some supermarkets to identify tiger prawns from Madagascar waters. Ready shelled and raw,

they can be bought defrosted or still frozen, a useful ingredient for quick midweek meals.

The flavour and texture of these warm water prawns lack the full sweetness of those from cold northern waters, but I find them very acceptable when cooked with flavoursome ingredients as here.

250-300g raw peeled prawns; 4-6 Little Gem lettuces (enough to yield 400-500g after trimming away roots and coarse outer leaves; 1 tablespoon or so very finely chopped green ginger; 1 finely chopped garlic clove; 2 tablespoons chopped green coriander; the finely grated zest of 1 lime; 100ml coconut cream; 20g unsalted butter plus 1 tablespoon olive oil.

Chop the ginger, garlic and coriander. Shred the lettuces. Put the ginger and garlic into a large sauté pan together with the butter and olive oil and place over low heat until hot and aromatic.

Meanwhile, simmer the coconut cream in a small pan for a few minutes to reduce it a little.

Add the lettuce to the sauté pan and toss till every shred glistens with fat. Then cook over moderate heat for six minutes or so, stirring and turning the leaves as necessary, to drive off their moisture, reduce them in bulk and thoroughly heat them through yet retain slight crunch.

Cook the prawns simultaneously. Drop them into the simmering coconut cream, push them down into the liquid as much as possible and cook fairly gently, stirring as necessary, until the flesh has turned pink.

Season the cooked lettuces with salt, pepper, lime zest and green coriander. Gently but thoroughly mix in the prawns in coconut cream - never mind if the cream begins to look a little curdled - and serve straight away with plain boiled basmati rice.

DUCK WITH GINGER, LETTUCE AND PEAS

a couple of tablespoons of fat from the pan. Stir in the spring onions and ginger. After a couple of minutes add the lettuce. Toss it to coat it with fat and cook fairly gently for 6 minutes or so, stirring occasionally, until most of the liquid is driven off, the lettuce is hot and cooked through yet retains a little bite.

While the lettuce cooks, boil the peas (if the peas are fresh and somewhat starchy, it may be necessary to start cooking them earlier).

Add the cooked and drained peas to the lettuce. Season with soy sauce, black pepper and a discrete sprinkling of mint. Carve the duck, lay the slices over the vegetables and pour on the juices that have collected on the carving plate. Garnish with a jaunty sprig of mint and serve with new potatoes or Chinese noodles.

(serves 4)

Duck with green peas is a traditional British spring dish, white duck with ginger, spring onions and soy is an oriental favourite. The two combinations marry well.

Spring is so late this year that frozen peas are the only practical choice as yet. Use garden peas, not petits pois, and be sure they are plain ones, not the poor things that have been impregnated with an overdose of manitol. Like those "cool as a mountain stream" Consulate cigarettes of 30-30 years ago.

400g boned-out duck breasts; 350-400g shredded Little Gem lettuce; 150-200g shelled peas; 6-8 spring onions; 1 slightly heaped tablespoon finely chopped green ginger; a few sprigs of mint; a few shakes of soy sauce.

Heat a large, heavy duty non-stick sauté pan. Lay the duck in it, skin-side down, and immediately reduce the heat. Cook fairly gently until tender and slightly pink, about 12 minutes (or until done to your liking). Turn the duck occasionally but leave it skin side down for most of the time to avoid toughening the flesh.

Put the cooked duck to rest in a low oven, and pour all but

Appetisers / Philippa Davenport

A new season of cookery demonstrations is about to begin at Divertment in Fulham Road, London SW3 (tel: 0171-681 8065 for bookings). First off on Tuesday is Susanna Gelmetti, who will be cooking from her charmingly illustrated *Italian Country Cooking* (Rosenfeld, £14.98).

On April 30 Lyn Hall will demonstrate the art of sausage-making. May 14 brings ice-cream supremo Robin Weir and May 28 is

baker Linda Collier's turn. ■ Analogous to my suggestion that Borodinsky sourdough rye bread is suitable for coeliacs (Weekend FT, March 9). This loaf is, alas, not made with gluten-free flour and is therefore unsuitable for coeliacs.

What I should have said is that the gluten in rye flour is different from that in wheat, and many who are intolerant to wheat may be able to eat rye flour products.

DAVID J WATT Fine Wines Limited

1995 EN PRIMEUR INTERESTED?

We think you should be. Send for our vintage report and tasting notes. The following wines are available ex cellars Bordeaux.

Chateau Pichay	£38 - 20	Chateau Ricoussac	£212 - 50
Chateau Chasse Spleen	£120 - 80	Chateau Clos Pomerol	£120 - 80
Chateau Pichay	£120 - 80	Chateau Valandraud	£795
Chateau Cazes Sugar	£120 - 80		

1-3 Mill Lane Mewes, Ashby-de-la-Zouch, Leicestershire LE66 1HP
Telephone: 01530 413953 Fax: 01530 412960

CLARETS
VINTAGE PORTS WANTED

We will pay auction bottom prices. Payment IMMEDIATE.

Contact Patrick Wilkinson
Tel: 0171-267 1945 Fax: 0171 284 2785

WILKINSON VINTNERS LTD
Fine Wine Merchants, Constance Rd London NW3 2LN

The 1995 Bordeaux from John Armit

This vintage will be in great demand and we will have large quantities of the very best châteaux. Past experience shows that it is vital to buy from a reputable and financially secure merchant.

Phone or fax us now for details of all our 1995 Bordeaux offers.
John Armit Wines Limited
1 Hoveley Road, 105 Lansdown Road, London W11 1CF
Telephone: 071-727 6844 Fax: 071-727 7131

سكنا من الأصل

FASHION

Working wear in New York

After all the fripperies in Europe, at last here are desirable clothes, says Marion Hume



The X factor that appeals

What is it about American designers that British women love so much - the certain something that sets the likes of Calvin Klein and Donna Karan apart from the international fashion hurry-burry?

Well, according to Harvey Nichols, a store that offers the full gamut of sartorial possibilities, the X factor is ease. In a world of acid bright, printed hipsters and fluffy midriff-bearing skinny knits, US design is the voice of reason. "These are clothes for the sophisticated woman who wears what she likes and likes what she wears," says Nick Walker, one of the store's buying team. "She has found what she wants from fashion - she knows what suits her. She will not follow just any trend."

Speaking of the store's Big Four names - Ralph Lauren, Calvin Klein, Donna Karan and Michael Kors - Walker describes stateside style as refined and clean, using exquisite fabrics and great colours.

In particular, he highlights Michael Kors as the name to watch. Already selling exceptionally well this spring, his fresh, understated clothes will become available to an even wider audience when his diffusion collection is introduced next autumn.

"We believe in Kors very strongly," explains Walker. "He's massive in America and we feel that his name could become almost as important for us as Ralph Lauren."

Belinda Morris

□ Above: fine silk grosgrain pull-on jacket, £570, and slim, flat-fronted fine silk grosgrain trousers, £340, both by Michael Kors at Harvey Nichols (tel: 0171 235-6000)

There used to be a tremendous feeling of relief when the international fashion caravan pulled into New York City.

After the experiments of London, the froon froon of Paris, the endless beige that once characterised Milanese-style fashion, New York guaranteed well-designed clothes for working women who also had weekends, and, occasionally, for trophy wives and movie stars.

Every outfit on the New York runways had a purpose. Every outfit could be imagined on a body that was not that of a supermodel.

Now the New York fashion schedule has grown. More and more designers based in New York are becoming well known abroad: Isaac Mizrahi (designer and star of the movie *Unzipped*), Todd Oldham (who has his own line but also designs for Escada), Marc Jacobs (whose downtown aesthetic manages to transfer well to London) and Anna Sui, whose best friend is the million-dollar photographer, Steven Meisel, which always ensures her publicity.

The New York shows have expanded from showroom presentations to huge performances in tents. But the downside is the arrival of "catwalk clothes" - those designed for the big canvas of the fashion show and which can have no life beyond it.

Of course, fashion shows anywhere produce some clothes that no one in their right mind would covet. The worst in the US this season were at Anna Sui. Who today would want to look like Dora Carrington or Lady Ottoline Morrell is a mystery to me. But Anna Sui - who has obviously seen the Emma Thompson film a few more times than is good for her - seemed to think that droopy, floppy dresses and hefty jackets that made even models appear barrel-chested might find favour.

Happily, clothes from America's "Big Three" - Calvin Klein, Ralph Lauren and Donna Karan - that will arrive in stores in six months' time were more desirable. Both Lauren and Karan headed back to the intimacy of their showrooms, away from the brouhaha of a big show venue which has helped neither of them recently.

They showed real clothes and each came up with their strongest collection in seasons. Meanwhile, Calvin Klein stayed with a big show in a big tent, but sent out no outfit that was not meant to have a life beyond the flash-bulbs and the supermodel bodies.

Lauren, Klein and Karan have three of the most successful labels on earth and when they stick to what they do best it is not hard to see why. In recent seasons, Donna Karan (who numbers Barbra Streisand and among her friends) has gone a little too "Broadway" in her tastes. Skirts have been too big for off-stage lives and shapes too overblown for the street-to-office-to-taxi-to-dinner lives that her wealthy working women customers experience.

Thankfully, for next autumn, fans will find her back on target, with her body-supporting wool double crepe stretch untrousers and her slender suede jackets and cashmere turtle necks.

When the model, Shalom, appeared towards the end of Karan's show with what looked like lumps of coal strung across her brow, you knew the designer was not going to miss a beat. The devotee cutaway velvet evening dresses that followed were perhaps a little too revealing for most Karan devotees. But the simplicity of a black cashmere wrap sweater and viscose satin evening skirt should more than compensate.

It will also be worth waiting six months for Karan's maxi-length bitter chocolate suede wrap coat and her slinky navy shirts that follow the body, but do not reveal an embarrassing amount of it. Her garnet cashmere and angora swing coat may well prove desirable enough to be chosen over the more wear-with-anything practicality of a black or navy version.

At Ralph Lauren there were coats that were all-enveloping, snug yet luxurious enough to explain their designer prices and in delicious watercolour soft colours. Also desirable from Ralph Lauren were shirts and turtle-neck sweaters that would update an existing wardrobe, and the slender silhouette of narrow jackets over ankle-length skirts or flared trousers. These can look surprisingly slimming once you get over the fact the flare really has made a comeback.

Ralph Lauren gave tailoring a menswear edge, looking to Savile Row - as he did with his menswear lines - in three button, single-breasted, City pin-stripes matched with collars and ties. Yet these managed not to look either "costume" or ridiculous, for the cut was fem-



Donna Karan: practical chauffeur coat in luxurious cashmere



Donna Karan: canary yellow jacket reminiscent of the 1970s (and Gucci's revamped 1990s)



Ralph Lauren: soft suede safari jacket and slightly flared jeans



Calvin Klein: the standout silk jersey dress of the season



Ralph Lauren: overingwear reminiscent of Helston



Ralph Lauren: Savile Row-style pin-striped single-breasted tailoring



Donna Karan: maxi coat in autumn's ubiquitous suede

Charles Tyrwhitt introductory offer
25% OFF ALL SHIRTS

CHARLES TYRWHITT
Ladies of fine shirts
Five fold collar poplin

You could easily pay twice as much or more in Jermyn Street for a shirt that would look - and feel - no better. Charles Tyrwhitt saves on retail overheads to bring you shirts made from their own luxurious Egyptian cotton; single-needle stitched for no puckering; with split yoke, brass stiffeners, pearlised buttons and our unlimited guarantee. All for just £29.25 with this special offer. No wonder our rivals are getting hot under the collar!

PLEASE SEND ME A FREE SET OF BRASS COLLAR STIFFENERS AND YOUR 32page BROCHURE...

Mr/Ms/Mrs/Ms
Address
Postcode

PLEASE RETURN TO: Charles Tyrwhitt Shirts,
FREEPOST, 298-300 Munster Road, London SW6 6YN
Telephone: 0171 386 9900 Fax: 0171 386 0027

WINE INVESTMENT OPPORTUNITY

Our 1996 Cellar Scheme, offered by an established Wine Company (PLC), gives you a balanced portfolio of top quality wines at well below wholesale prices, with the added plus that all unwanted/complete cases will be purchased back after a minimum of six months at 5% above your purchase price - a return of 10% p.a. equivalent on your money. Each cellar includes some of the World's great reds, whites and Champagne, carefully selected by a Master of Wine. You may hold your cellar either Duty Free in a Public Bond or in your own "Cave" where you can enjoy your investment. A limited number of "Cellar packages" are available. All include over 1000 bottles and range in price from £4,500 under Bond to £7,500 to include Duty, delivery and VAT. Fax 01440 730789 or telephone 01440 730779 for full details.

Sofit

Ermenegildo Zegna

27 New Bond Street, London W1 Tel: 0171 438 4471
42 Shelton Street, Covent Garden, London W2 Tel: 0171 497 0001

Great lady revisited

VIDI WAT

CLARETS

PROPERTY

Pressure for places in the schools which consistently star in the government's league tables is forcing parents to house-hunt ever earlier in their children's lives. To get into the right secondary school, they need to get into the correct feeder school and to get into that they may have to live in the right area by the time their eldest child reaches the tender age of four. Eton may have stiff entry requirements, but at least it does not involve moving house.

School hot-spots and property hot-spots have been merging ever closer since the publication of school league tables. The more evidence there is for a school's success, the greater the competition becomes for places, meaning a growing demand for houses in the right area.

In those areas, home owners who have outgrown the education system can find an over-supply of buyers bidding up the price of their house. For young parents it means a grim struggle to buy in the right catchment area. As one relocation agent remarked, these days everyone knows which schools are top of the charts.

This pressure for places looks set to increase still further. The government has decided to publish the results of the national tests currently being taken by seven and 11-year-olds, which will mean league tables for primary as well as secondary schools.

In February, the publication of a list of 200 outstanding schools by the Chief Inspector in his annual report was immediately picked up by estate agents. Within two weeks, one primary school featured was being mentioned in the particulars of a house being sold in its catchment area.

Peter Wilde, one of the Compass group of relocation agents, estimates that the right catchment area adds at least 10 per cent to the price or rental value of a good house. For properties which are generally difficult to sell, such as those built in the 1950s and 1970s, it can mean the difference between selling or not.

The demand applies equally in the state and the private sector. Wilde had one City client moving from London to Northamptonshire who was willing to increase his rental budget from £1,500 to £2,000 a month in order to be near his preferred prep school. The family was only prepared to buy when it had established that the school was as good as it had hoped.

Knight Frank in Oxford was asked to find one family a house within 20 minutes drive of the recently opened Chandlings Manor prep school. It said the headmistress felt no child of that age should travel for more than 20 minutes in the car before school.



Cluttons' guide price for this house in Dorchester, Oxfordshire, is £285,000



Peter Gibbs with daughters Sally and Heather who attend Dorney County Combined School, Bucks

How schools affect home prices

Anne Spackman explains why parents could soon be putting their children down for Eton and Cluttons

Although there are good schools creating pockets of high demand all over the UK, two of the highest concentrations are in north Oxford and Buckinghamshire. Two years after Chandlings Manor opened in Oxford, the city's most popular prep school, opened Lynams, its own pre-prep, in September. The trend for strong schools to open feeder schools is increasing, according to Isis, the independent schools information service. It says the number of under-fives educated privately has risen from 5.5 per cent in 1984 to 6.8 per cent in 1994.

The Dragon and Lynams are among several good schools in north Oxford. Families who buy in the area tend to stay, making for a shortage of properties for sale. Savills' Banbury office has just put a typical five-bedroom Victorian semi in Farnham Road on the market. Top of the particulars comes the information that it is within a 10-minute walk of Oxford High School for Girls, and within easy access to both St Edwards and The Dragon

School. In need of modernisation, it is priced at £375,000 and two bidders are already competing above the guide price.

"We have noticed a marked increase in demand in the last two years from people who wish to be accessible to the excellent schooling in and around Oxford," says Ian McConnell, of Savills. "Within Oxford itself there is a requirement to be within walking distance of the schools. There are significant value variations within a relatively small area. For example, not having to cross a major road between the house and the school would enhance the value of a property."

Knight Frank in Oxford is currently selling a house which meets that criterion. The four-storey semi in Northam Road is slightly smaller than the traditional north Oxford house but its hefty price of £435,000 may be a reflection of the fact that it is near Dragon Lane which leads directly to the Dragon School.

John Little, of agents John D Wood, says it is difficult to find any

family house in north Oxford for under £350,000. The good Victorian six-bedroom houses are now going for £400,000 and more. He has recently sold a two-bedroom garden flat for £165,000 and a large three-bedroom flat on Woodstock Road for £285,000. "Outside of the very best home counties locations, we must have the closest prices to London," Little said. "If the right house comes up, we can introduce 40 or 50 potential buyers immediately. Anything good goes very fast."

The other Oxfordshire hot spot is to the south of the city where commuters to London seek to compromise their need to be near Didcot railway station with their children's schooling. Cluttons has just taken on a five-bedroom Grade II listed Georgian house in Dorchester on Thames priced at £285,000. Fifteen families have looked at it in the first week - half seeking to leave London to be near good schools.

The county which stars in both the league tables and the Chief Inspector of schools' top 200 is

Buckinghamshire, one of the last bastions of the grammar school. Peter Gibbs, who runs Hamptons' office in Maidenhead, Berkshire, is one of many who has decided to live across the border.

"It is vital to live within the county boundary if you want to get into the schools," Gibbs says. "We wanted our daughters to go to one of two good primary schools, St Nicholas's at Taplow or Dorney School. The junior schools tend to feed the good grammar schools and the chance of getting such a good education without having to pay for it is a great incentive."

David Ellerington is the education specialist for Compass Relocation and a former headmaster. He provides a similar service on the schools front as his colleagues do on the property side, finding the best schools for individual families. He says grammar schools are the greatest magnet for parents. "Some parents will extend their mortgage to purchase a house in a grammar school area because they don't have

to consider the costs of private education," he says. "It is a chicken and egg situation: if the schools are known to be good, house prices go up. London is one of the most difficult places. If you are not into the system early on you find it very difficult to slot in later. All the schools are full."

Karen and Mike Chazarian faced this problem with their two children, Christopher and Abigail, aged six and five. They live in Buckinghamshire, in the right village for the school they wanted, but they were one street beyond the catchment area.

The family found a house within the area for Ley Hill County Combined school, but the deal fell through at the last minute and they lost their place. "I phoned Chesham Prep and asked if we could take up our place there, but we were too late," Karen Chazarian said. "We considered buying a small house and renting it out just to have an address in the catchment area. In the end we got in on appeal, after

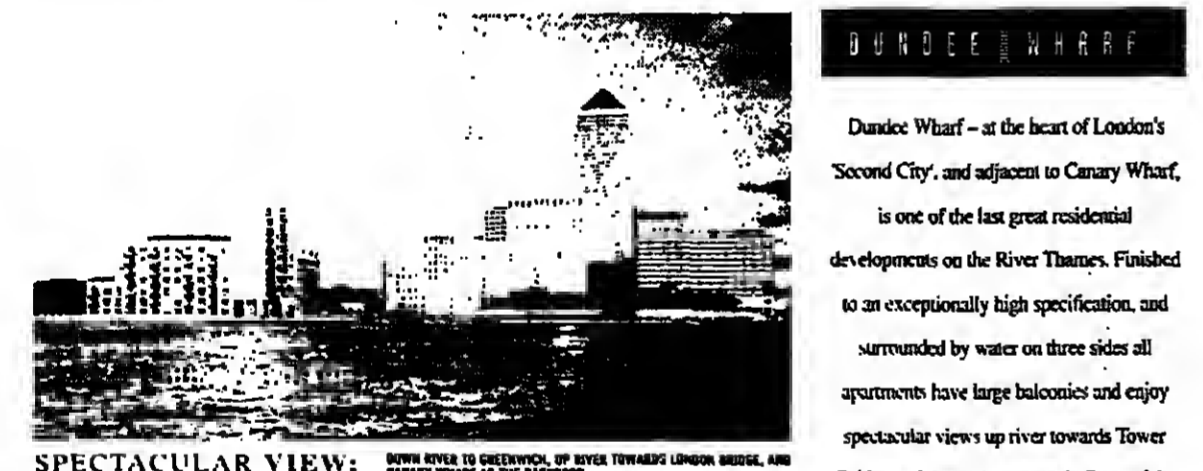
showing them solicitors' letters which proved we had nearly bought the house and were still looking."

All this was 18 months ago and still the family is looking for a detached house in the £350,000 price range in one of the right roads. "The fees for the private school were £1,000 a term. We thought we might as well put that into the mortgage," she said.

She says at least one third of her friends have moved house to be in the right school catchment area. If the publication of more league tables further increases competition, parents will not just be registering their children with schools at birth; they will also be registering with estate agents.

Peter Wilde, Compass Relocation, Peaborough, 01799-47007; David Ellerington, Compass education specialists, 01751-41741; Knight Frank, Oxford, 01865-790077; Savills, Banbury, 01295-863335; John D Wood, Oxford, 01865-311522; Cluttons, Maidenhead, 01628-22121.

AN INVITATION TO VIEW...



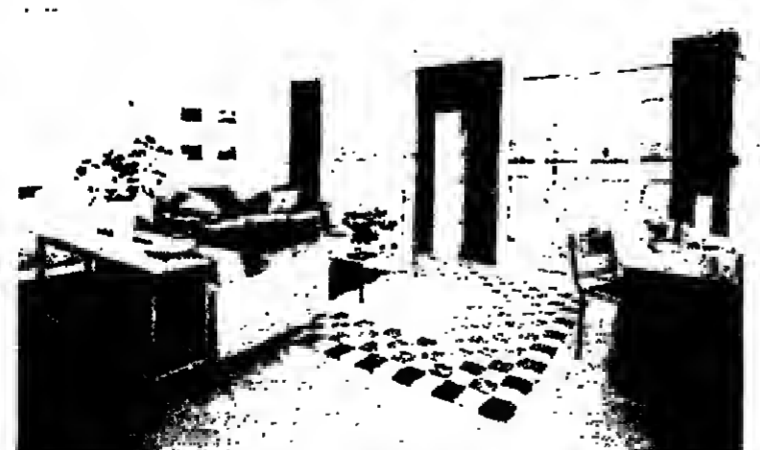
SPECTACULAR VIEW: DOWN RIVER TO GREENWICH, UP RIVER TOWARDS LONDON BRIDGE, AND CANARY WHARF AS THE BACKDROP.



EXCLUSIVE VIEW: EASTON BRIDGE TOWARDS THE TOWER BRIDGE AND CANARY WHARF. HEALTHY VIEW: YOUR OWN PRIVATE GYMNASIUM AND FITNESS CENTRE. FRESH VIEW: ALL APARTMENTS HAVE LARGE BALCONIES OVERLOOKING THE RIVER.

LONDON'S FINEST RIVERSIDE HOMES!

- Specification includes:
- Prime water front location
 - Portage • Garaging
 - Leisure facility
 - 10 Year NHBC Guarantee
- 1 BED RIVERSIDE APARTMENTS WITH BALCONIES FROM £99,000
- 2 BED RIVERSIDE APARTMENTS WITH BALCONIES FROM £142,000
- RIVERSIDE PENTHOUSES WITH BALCONIES FROM £220,000
- 3 BED PENTHOUSES WITH SKYWAY TERRACES FROM £375,000



SPACIOUS VIEW: ALL APARTMENTS DESIGNED FOR MAXIMUM LIGHT AND SPACE

VIEWING THIS SAT/SUN 2-5PM
DUNDEE WHARF LIMEHOUSE E14 (THREE COLTS STREET)

A DEVELOPMENT BY **BALLYMORE** Properties Limited

SAVILLS INTERNATIONAL PROPERTY CONSULTANTS

0171 488 9586 0171 613 3055

INTERNATIONAL PROPERTY

Penha Longa
SINTRA PORTUGAL

The Penha Longa Resort occupies a privileged location in an area of great natural beauty surrounded by the foothills of the Sintra mountains, 25 km from Lisbon.

The resort comprises five separate residential villages with a total of just 180 villa plots. All properties are designed and equipped to the highest standards and benefit from the resort's five star facilities with hotel, country club, 24 hour security and 2 golf courses - 1 of which was home to the Portuguese PGA Open in both 1994 and 1995.

VILLAS FOR SALE FROM £280,000

Penha Longa Resort, Estrada da Lagoa Azul, Linh6, 2710 Sintra, send for brochure or telephone direct to Penha Longa Resort 0800 968149

GRAND HOTEL NATIONAL RESIDENCE
Lucerne - SWITZERLAND

Set up your corporate domicile in Lucerne, the most sought after canton not only for taxes.

Office Space and Private Apartments at the landmark Residence National in LUCERNE

up to 10 and more rooms, 50 to 500 m².

For further information about Lucerne and available spaces contact Umberto E. Erculiani, Residence Manager or his assistants.

RESIDENCE Tel: +41-41-419 08 08
NATIONAL Fax: +41-41-419 08 10

A TERRACE WITH VIEW: FRENCH RIVIERA

Charming mountain village - Le Broc, 25 mins from Nice Airport.

New 3 bed villa apt. with large terrace and magnificent view over valley and mountains. Swimming pool.

Provides the perfect setting for those who have dreamed of a quality affordable holiday home on the Riviera. Fr 1.1 mil

Contact ABC International Tel: 00 33 93 247039 Fax: 00 33 93 247539

COUNTRY PROPERTY

DERBENEAGE FARMHOUSE, SHISKINE, ISLE OF ARRAN

On the hill overlooking the Skishine Valley and the Kintyre peninsula, this modernised farmhouse has two public rooms and three bedrooms sleeping six. The ground floor is designed with the disabled in mind. All bed linen and towels provided. Dogs by arrangement.

Terms £375.00 - £485.00 per week

Contact: Mrs WJ Blythe Bellfield House, Whiting Bay, Isle of Arran Tel: 01770 700375

SWITZERLAND

VACATION VILLAS AND ESTATES

Affordable Florida Luxury London Seminar Held May 1-7

Call for Reservations 0171 492 3200 Tel: USA 407-757-9112

SWITZERLAND - LEYSIN Recently built 1, 2 & 3 bed apartments in an excellent location offered at unbeatable low prices. For details on this unique offer: De Lara & Pate Tel: 011 742 0708 Fax: 011 742 0563

Weekend FT

On Saturday April 20th, the Financial Times will be having its special eye to focus on the County of Surrey.

If you have property to sell or let in the Surrey area, capitalise on the FT's connections by targeting an audience of alert and eager individuals.

For further information or to reserve your space, please contact:

Hastine Howarth
Tel: 0171 873 3211
Fax: 0171 873 3298

FRENCH RIVIERA - VENICE

2 to 3 bed villa apartments for sale within walking distance from the charming village of Venice.

Magnificent sea views, swimming pools and international celebrities for neighbours combine to make these properties highly sought after. These are exclusive apartments for those who demand the highest in quality.

Prices from Fr 7.5 mil

Contact ABC International Tel: 00 33 93 247 039 Fax: 00 33 93 247 539

FRENCH PROPERTY NEWS Monthly city, new & so properties, legal columns etc. Ask for your FREE copy now. Tel: 0181 647 1254

SCOTLAND DUMFRIESSHIRE

Historic Threilfold village (pre 1800) 2 and 3 bed properties built by local craftsmen on a small exclusive site of 60 acres. Designed for those seeking quality, in an area of scenic beauty with quiet country roads, forests, lochs, golfing, fishing and walking.

Prices from £95,000

J.A. Roberts, Dumfries Developments Ltd
Dumfries, Dumfries, DG2 5EP
Tel: 01849-202288 Fax: 0301222
(2 bed luxury detached house now for sale)

GUERNSEY Sheeha & Company Ltd, 4 South Esplanade, St. Peter Port. One of the island's largest independent Estate Agents. Tel: 0481 714445 Fax: 0481 713211

OTOGRADE, SPAIN twenty-five minutes from Gibraltar airport. Upper section level floor, 4200 sq m, end of cul-de-sac on the corner, view. Held in Gibraltar company including full lower State gift tax concession. Irrespective. (052) 2940 0550 Mr. Lau.

APTS. Dallas/Ft. Worth TX 750 units, (7 pm) 322/Unit. Principle only Owner USA 214-687-7199 recorded info.

سكوتيا من الامم

BOOKS

Towards a culture of simulation

Jon Turney on a work which charts the post-modernist's evolving relationship with the newest machines

Deep in the computer culture, some are already living in a new world. Awake, they are forever bathed in the pale light of the screen, moving among an array of windows in each of which they play a different role in an on-line game. Asleep, they dream of new cyber-conquests. For these habitués of the Internet, real life is RL, just another window.

seemed to them alive. She assesses what has happened in the dozen years since her first notable book on computers, *The Second Self*. Her answer has three parts. First, she describes the shift in the way we use computers, or in operating systems. That shift is from the flashing cursor waiting for you to type a command which is the personal computer's welcome in MS-DOS, to the pretend desktop of the Apple Macintosh or its poor imitation, a PC running Windows.

With icons and windows, this new user interface is totally disguised. It is, for us, easier to use. But we no longer worry about what is happening behind the screen. This shift is part of a larger change, she believes, from what she calls culture of calculation to one of simulation. The first is a modern way of doing things, which as people who want to analyse what is going on, who demand a detailed understanding of underlying levels before they are comfortable with a machine.

Life on the screen: identity in the age of the internet by Sherry Turkle. Weidenfeld and Nicolson £18.99, 347 pages

ments in computer-mediated therapy and programmes which simulate aspects of living systems - so-called A-life. As in her earlier book, her most informative respondents are often children, contemplating the fate of the organisms in a game of SimLife when the computer is switched off, or programming robots which they sometimes think have minds of their own.

Finally, she picks up the shift so many are starting to experience - not finding ways of relating to computers, but new ways of relating to other people through computers. This is not so much the world of the millions now on the net to send and receive e-mail or explore the world-wide web, but the minority who play the multi-user games called MUDs. In these new elec-

tronic environments, wing on a keyboard becomes a vehicle for interaction with other users, all of whom have assumed virtual identities. Like the Mac user, the characters conceal their jobs; the muscular dragon-slaying may be invoked by the fingers of seven stones working.

Honey, I shunk the house

Michael Thompson-Noel times in on a domestic conundrum

According to cosmologists, black holes emit such gigantic quantities of particles in such random permutations that if we monitored enough black holes for long enough, we would see all sorts of things fly out. David Hockney's swimming pool, 102 dalmatians, William Shakespeare. He would not be our William Shakespeare, though he would be identical to ours - even sub-atomically.

I try all that. What flabbergasts me is the thought that a facsimile of *Not At Home* will emerge some day, from some black hole. What makes it flabbergasting is that the version that has popped out here is quite beyond belief.

An immensely strange book. Peculiar in every particle. Unintentionally funny to the zillionth degree. Subtitled *The Suppression of Domesticity in Modern Art and Architecture*, it indicates the depths of derangement to which those who write about the history of art, design and aesthetics can plunge when they really try.

In his introduction, editor Christopher Reed states that the idea of domesticity - separation from the workplace, privacy, comfort, focus on the family - was invented as recently as the early 1800s, being a product of the confluence of capitalist economics, technological breakthroughs and Enlightenment notions of individuality.

However, for many a long year, says Reed, *avant-garde* thinking, particularly in architecture but also in painting and interior design, has been the enemy of domesticity and of the home.

An early and influential figure in this was Viennese architect Adolf Loos, who in a 1908 manifesto equated ornament with crime. Loos maintained that the tendency to decorate the home was akin to graffiti and tattooing, and that all these things were degenerate, unlike forward-looking modernism.

According to Reed, the anti-domestic tenor of *avant-garde* architectural theory is nowhere more evident than in the career of modernism's most influential architect, Le Corbusier, whose writings were as important as his buildings.

Le Corbusier's essays made him the pre-eminent early spokesman for modernist design, and there was no doubting where he stood. He inveighed against the "sentimental hysteria" surrounding the "cult of the house", and declared his determination to create a "machine for living in". His heroes were engineers - "healthy and virile, active and useful" - as well as big businessmen, bankers and merchants.

Le Corbusier argued that old-fashioned houses produced many shams... Our industrial friends seem sheepish and shrivelled, like tigers in a cage. However, today, after more than 100 years of dispute, the steel-and-glass aesthetic of Loos, Le Corbusier and others, with its antagonism to the idea of the home as a haven of



Cover for 'House and Garden' (1951) by Horst P. Horst, taken from 'Horst: Sixty Years of Photography' (Thames and Hudson)

privacy and as an icon of individual or family identity, is probably losing influence. "The domestic," claimed, "is returning to a position of cultural prominence," though it is too early to tell if the new focus on domesticity will hold for the arts or for society.

His book, he says, is "dedicated to its readers in the hope that it will occasion moments of self-consciousness, creativity and pleasure in our inevitably constant fashioning of home life."

Fair enough. Yet from its coherent introduction, *Not At Home* veers swiftly into a stu-

pidying assemblage of useless erudition and hot-house prose such as you would never, in this galaxy, expect to find collected.

Part of Silver's essay is given to a discussion of Robert Rauschenberg's 1965 painting *Bed*. In 1965, abstract expressionism was at its zenith, and the appearance of Pop art was still seven years in the future. "Bed", writes Prof Silver, "was clearly designed to be provocative, from its juxtapositions of raw and cooked - wild paint splatters vs methodical, self-contained, Albers-like concentric squares, folkloric quilt vs *avant-garde* abstraction - to the ontological uncertainty it makes palpable: is this a painting-as-bed or bed-as-painting? In which direction, it seems to ask, have we moved: from the studio to the home or vice versa?"

Get it? After many readings, I think I do. Yet there are numerous assertions in "Master Bedrooms, Master Narratives..." that are far more challenging than that, as indeed there are throughout this beautifully pixilated book, in which sex looms surprisingly large.

The reason for all the sex, says Reed, is that it is primarily in the home "that we are constructed as sexual and gendered beings". It may be weird, but *Not At Home* will not get the better of me. For several weeks I have been carrying it from room to room of what - I now see - is my hideously kitschy, pre-modernist flat. It has vulgarly bright wallpapers, fitted carpets, mass-produced ornaments, bourgeois furniture, spotlights, uprights, predictable artworks. I have a porcelain dalmatian on a little table in the sitting room, for God's sake, the horror of which is matched by the porcelain siamese on the little table on the other side of the fireplace.

For those with eyes to see, *Not At Home* is probably stuffed with wisdom. Yet what an astonishing thing: not only has it popped into existence once, but it will do so again. From out of a black hole, perhaps billions of years hence, will fly a 304-page book, claiming to have been printed in "Slovenia", on the 98th page of which commences a 16-page essay by "Joyce Henri Robinson" entitled "Hi Honey, I'm Home..."

On death and other journeys

Rereadings/J.D.F. Jones

These days, Rudyard Kipling's *Kim* is usually found in the children's section of our bookshops (as are *Tressa Island* and *Prester John*, which suffer from a similar relegation). This is absurd. *Kim* is one of the most profound and original, mature and triumphant novels of this century. It must be reread to establish for all time its place as a great classic for grown-ups.

The book occupied Kipling for seven years, and in his memoirs he modestly claimed that "there was a good deal of beauty in it, and not a little wisdom..." That sums up *Kim*. The beauty is to do with the India it describes in loving detail, which is why this "imperialist" book has always had a host of Indian admirers. The wisdom reaches deeper into the meaning of this apparently artless, picturesque tale of the adventures of a young Irish boy called Kimball O'Hara and an elderly Tibetan lama.

It is the tale of not one but two quests, one young, one old. They relate to the two most important rites de passage of all our lives - the period when a child becomes a man, and the period when an adult confronts his death.

The genius of the book is to show how these two apparently separate journeys in a vividly, ecstatically described India are inextricably related and intertwined. They therefore become the same quest - the joint quest that all of us must make in the course of our lives - and they realise themselves in the language of myth. The reason they share the journey is because of a mutual love between the boy and the old man; they teach each other, they need each other.

Kim, the 13-year-old boy, is introduced as a wondrous mingling of Irish and Indian, white and brown, and then, straightaway, is inspired by the Lama's revelation of his quest/journey. The boy realises that to match the old man he should have his own totem to seek, with its ritual and its symbolism and its inspiration. The only totem he can think of comes from his soldier father - the image of a great red bull on a green field. The Lama validates the boy's idea and postpones his own search to wait for Kim to catch up with him, when they will make the journey together, starting out on the Great Trunk Road.

Bengali intellectual Hurree Babu. Between them they keep a fatherly eye on Kim's youth and schooling while he prepares for his initiation as a man, his career as participant in the Great Game of espionage - and his resumption of the joint quest with the Lama.

Far too much attention is usually paid to the (admittedly spellbinding) detail of Kim's recruitment as a junior agent in the Great Game by Colonel Creighton and his associates - detail which can distract attention from the deeper meaning of Kim's journey to the Himalayas. He rejoins the old man and travels from the plains to the High Hills, where encounters problems, both

physiand dramatic. He outwits the Russians but has to return in danger and distress at this stage of his male development. Kim encounters two older women, the Maharanee and the Wife of Shamleh; one mother-in-law, the other kisses him.

This is taken at a point to be by Kipling as he moved to the realm of the adventure to a revelation of his best meaning. The Lama has been through his adventures with Kim, that he must return to the high mountains to make for the Plains; there a symbol in this, while, literally and literally, to carry him. At this point Kim and the Lama, we can understand, are close to death, and also within sight of their quest's ends: one message that they have both received is the Underworld.

Kipling tells with a desperate, reckless speed - a dozen pages tell it off. The boy is saved by Maharanee, who lays him down, then sleep, in the clasp of "Mother Earth". The old man, after fasting for two days - a sort of embracing of death - in (apparently) dream, is reminded of the boy and returns to return from death to life and love for the boy. He thereby finds his totem, his River of the Awe, just as Kim has discovered his Red Bull, has made his message, and is initiated.

That's quite a state to be dismissed to the kid bookshelf...

A.C. Graylin

A tragic hero of the scientific sphere

Heroes create themselves; celebrities are created by the media. In a media age it is hard to tell which is which. The first half of the 20th century was a time of spectacular development in science, and the leaders of that process were turned into stars by newspaper, film and radio. They were portrayed as Titans, geniuses, lovable rascals, beings from a different planet called The Future.

Linus Pauling was one such. He attained celebrity early in his scientific career by strikingly imaginative work in chemistry, proposing important theories about the bonds which hold atoms together in molecules. His theories have been superseded, which is often the way in science: but

by then he had become a Nobel prize winner, showered with honorary doctorates and fellowships of scientific academies around the world. From this lofty platform Pauling launched himself into two very contrasting careers. One was as a courageous political campaigner for nuclear disarmament and peace, and against political witch-hunting in the US. For his peace work Pauling won the rare honour of a second Nobel prize.

The other career was as a champion of dubious claims about the efficacy of huge amounts of vitamins, particu-

larly vitamin C, as panaceas against disease. Apart from the air of quackery that clung to this, it brought into relief an unhappy trick Pauling had of selling close to the wind over questions of authorship and attribution, a jealous matter in science, whose practitioners are keen to get the credit for what they do, not just for pride but because research grants, prizes, promotions and opportunities turn on it. Earlier in his career Pauling had sometimes provoked colleagues by claiming more than his due and reaping the benefit. In his late vitamin campaign matters were worse: he suppressed

research in his own institute which contradicted his view and dismissed the researchers who arrived at them. Even so summary a sketch shows that Pauling is

Linus Pauling: A Life in Science and Politics by Ted Goertzel and Ben Goertzel. HarperCollins £18.99, 300 pages

extraordinary figure. As a specimen of high gifts, contradictions, stubbornness, creativity and wrong-headedness he is hard to beat. As an example of

the Olympian stature conferred on its practitioners by science earlier this century, he is paradigmatic - as he is in showing how such influence can be used for better and worse. And as a comment on the oppressive, obsessive, ugly episode of anti-Communist zealotry in the US after the second world war, his story is an illumination - not least because when the Republican light took him on, they found him a formidable debater who made fools of them in Congressional hearings, contributing largely to the collapse of their use.

Ted and Ben Goertzel -

They miss many opportunities. Pauling's aptness for getting into trouble might have been prefigured in the early boyhood episode of his falling into a backyard privy, and the authors pass without comment a reminiscence by a cousin that the young Pauling was "more normal and average than most boys".

But for such things a sense of humour is required, and the authors' interests lie elsewhere. The best thing in the book is its account of Pauling's brave resistance to McCarthyism. It also whets the reader's appetite to know more about the history of chemistry,

molecular biology and medicine in the 20th century, because Pauling's activity contributed to all that. And although science has since moved on, it is fascinating to see how the beauty and power of the scientific imagination expressed itself in his work for he was indeed a native thinker of a high order.

F. Scott Fitzgerald said: "Show me a hero and I will write you a tragedy." King and his wife for many years consumed 100 grams of vitamin C a day - 20 times the recommended daily allowance - as a specific against disease but especially colds and cancer. Pauling called his "allergies", cancer killed in both.

Words are not enough

صلى الله عليه وسلم

سكرا من الالهي

BOOKS

Words are not enough

At about the time he wrote *The Book of Laughter and Forgetting* in 1980, Milan Kundera was in a process which he has described as crossing the border to a country where the language of the country left behind sounds "as meaningless as the twittering of birds." It is a process which many expatriate writers since Nabokov have experienced. Joseph Brodsky actually turned himself into an American poet, without Nabokov's advantage of a Cambridge education. Now Kundera has written his first novel in French, and his first novel in five years.

The irony is that *Slowness* appears to have been very poorly translated. I say "appears" because we have no means of knowing which translation - the mental one from Czech into Kundera's French, or the physical one from Kundera's French into English - has gone wrong. This is something of a handicap to the richness of the book, like a shortage of egg whites in a soufflé; still there is a good deal of vintage Kundera to enjoy.

Four brief stories intertwine and overlap to explore the notion of slowness. The writer, apparently Kundera himself, goes to stay in a chateau hotel, and contemplates the account of a Marquis and his mistress who dallied bereabouts in the 18th century. Into this story he introduces the account of a young intellectual, Vincent; a Czech professor, newly freed from a job as a construction worker, and a telly-don called Berk, who is based all too recognisably on certain French *intellos*.

Indeed, self-congratulatory intellectuals, enjoying a conference at the hotel, make a welcome reappearance from *The Book of Laughter and Forgetting*, as does sexual capriciousness. Where in that book Marketa tried to imagine her husband headless during an orgy, here Vincent is unable to have sex with Julie, the girl he has desired violently, but goes through all the attendant movements because people are watching. One of the watchers is the humiliated Czech professor, who, overcome by bogus sentiment, has forgotten to deliver his lecture on an insect found only in Prague. He strips off for a consolation swim the better to give his impressive muscles an outing, and discovers what he takes to be an orgy gathering in pace. Another woman, spurned by Berk, attempts suicide in the pool, watched curiously by her lover, a cameraman. The stolid Czech jumps in to save her, and receives a punch in the face for his troubles. All very Stoppardian: farce mixed in with intellectual cynicism.

Kundera's cruel ironies on intellectual life and professional jealousy, his mockery of expatriate disappointments, his pitiless observation of the real - and usually basic - aims of fine words, his keen interest in the farcical nature of sex, his playful reorganisation of the unities of novel writing, are all present in abundance. But there is an almost palpable sense of striving for a lightness of touch, a striving which is hindered by the wooden translation. And the ideas of slowness opposed to expediency, and discretion opposed to exhibitionism, seem no more than an existential gloss applied rather lightly, mere decoration compared with the sublime notion, inscribed on every dissident's heart, that the struggle of man against power is the struggle of memory against oblivion.

In the end the wonderful dexterity of Kundera's work is not enough; the reason is that there are no remotely heroic characters whose fate we can enjoy. In this sense it may be true that Kundera is finding life on the other side of the border difficult. But then, since 1988, Kundera's life has been a succession of intellectual border crossings.

Indeed, self-congratulatory intellectuals, enjoying a conference at the hotel, make a welcome reappearance from *The Book of Laughter and Forgetting*, as does sexual capriciousness.

Where in that book Marketa tried to imagine her husband headless during an orgy, here Vincent is unable to have sex with Julie, the girl he has desired violently, but goes through all the attendant movements because people are watching.

One of the watchers is the humiliated Czech professor, who, overcome by bogus sentiment, has forgotten to deliver his lecture on an insect found only in Prague.

He strips off for a consolation swim the better to give his impressive muscles an outing, and discovers what he takes to be an orgy gathering in pace.

Another woman, spurned by Berk, attempts suicide in the pool, watched curiously by her lover, a cameraman.

The stolid Czech jumps in to save her, and receives a punch in the face for his troubles.

All very Stoppardian: farce mixed in with intellectual cynicism.

Kundera's cruel ironies on intellectual life and professional jealousy, his mockery of expatriate disappointments, his pitiless observation of the real - and usually basic - aims of fine words, his keen interest in the farcical nature of sex, his playful reorganisation of the unities of novel writing, are all present in abundance.

But there is an almost palpable sense of striving for a lightness of touch, a striving which is hindered by the wooden translation.

And the ideas of slowness opposed to expediency, and discretion opposed to exhibitionism, seem no more than an existential gloss applied rather lightly, mere decoration compared with the sublime notion, inscribed on every dissident's heart, that the struggle of man against power is the struggle of memory against oblivion.

In the end the wonderful dexterity of Kundera's work is not enough; the reason is that there are no remotely heroic characters whose fate we can enjoy.

In this sense it may be true that Kundera is finding life on the other side of the border difficult.

But then, since 1988, Kundera's life has been a succession of intellectual border crossings.

Justin Cartwright

BOOKS

NEW AUTHORS

ALL SUBJECTS CONSIDERED

MINERVA PRESS

I read John Keane's *Reflections on Violence* over the Easter weekend, sandwiched between the two instalments of Channel Four's adaptation of *Gulliver's Travels*. The interplay was uncanny, almost eerie.

Keane's tract, a virtuoso work by a political theorist filled with passion to promote a better world, charts in gruesome detail the "long century of violence" behind us. The horror is as sickening yesterday as half a century ago. We flit from Hitler to mass executions of Bosnian Moslems ("the Jews of the late 20th century"); from the gulags to first-hand accounts of the slaughter of civilians like animals in Rwanda ("The place was red. Blood was flowing like water. I could see babies suckling the breasts of their dead mothers...").

Then came Swift's biting satire. The tiny Lilliputians waging their continuous war between the Big-enders and the Little-enders. The intellectual Lapedians extracting sunlight out of cucumbers while bombing each other with gay abandon. And the wise Houyhnhnms, a race of just, truthful and peace-loving horses, who regard with disgust the animal savagery of the human yahoos, and consign Gulliver to their midst for all his refinement as an English doctor.

Keane does not mention Gulliver.

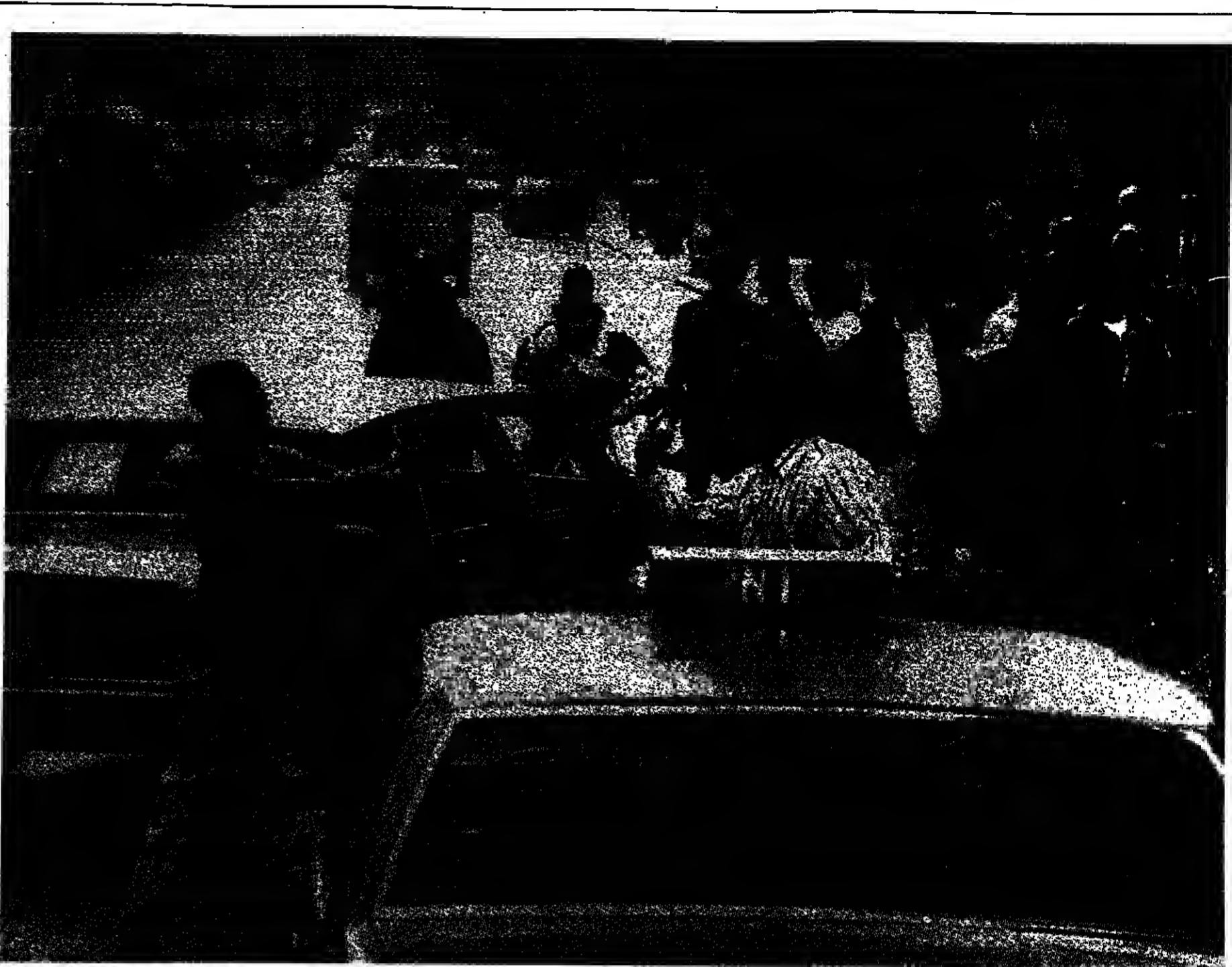
REFLECTIONS ON VIOLENCE by John Keane Verso £39.95 200 pages

But he cites Swift's still more pregnant satire, his *Modest Proposal for Presenting the Children of Poor People in Ireland from being a Burden to their Parents or Country*. The "modest proposal" derives from the narrator's discovery from "a very knowing American" that "a young healthy child well nursed is at a year old a most delicious, nourishing and wholesome food, whether stewed, roasted, baked, or boiled". There is no need to go on.

When I first read the *Modest Proposal*, as a teenager, it was fascinating but fantastic. Re-reading it after two days of Keane and Gulliver, it seemed a plausible economic development prospectus for a third-world Bokassa or Idi Amin. No, indeed, does violence on such a scale require much by way of physical aggression. A century after Swift, during the Irish famine, a senior British official advised the cabinet simply to leave the wretches to "the operation of natural causes" - an equally modest proposal.

But then there is civil society, civilisation and non-violence. There is heroic resistance to oppression, much of it successful. There are the west's bills of rights and elaborate constitutional checks-and-balances against arbitrary power. And there are the zones of "civility", living side-by-side with "uncivility" (an archaism resurrected by Keane to denote the violent tendency), yet as generally peaceful as any societies in human history.

This is all deeply bewildering. A strength of Keane's book is that he makes only partial, fiftal attempts to



Acts of everyday violence: road rage breaks out on the streets of New York

Dangerous forces unleashed

Violence is everywhere, from families to nations to superpower rivalries, writes Andrew Adonis

Violence is everywhere, from families to nations to inter-continental superpower rivalries. In a brilliant passage, Keane even rejects the notion of "civil war" as commonly understood in terms of finite conflicts within previously integral political communities. On the contrary, western democracies are themselves wracked by "molecular civil war", exhibited by perpetual low-level violence in urban districts such as Solingen, Tower Hamlets, Los Angeles and Marseille, which "disturbingly parallels" the large-scale conflicts to be found elsewhere. "Every carriage on a city's underground... can become a miniature Bosnia".

This is not an easy read. The prose is dense and often impenetrable. Of Ernest Gellner: "His neo-Popperian

account of scientific progress misses the elective affinity between post-foundationalist perspectives in philosophy and the social sciences, the attitude of democratic scepticism and the horizontal diversity of forms of life that are characteristic institutional features of any civil society". Swift would have sent Gulliver around the world again in search of modern social science.

Yet beneath the verbiage lies a deeply humane attempt to grapple with one of the greatest of human

predicaments - how to curb natural impulses to violence, uncivility and destruction. (Keane agonises long over where the impulses come from, but no matter). He does not hesitate to address the critical question: how much violence is needed to contain violence?

There is no simple formula. In some circumstances the pacifists will be right. In other cases, where violence serves "to reduce or eradicate violence", or "serves as a means of the creation or strengthening of a

pluralistic nonviolent civil society secured by publicly accountable political-legal institutions", it may be justified. But only *may*, because the forces unleashed by any violence can never be accurately predicted.

It is a question of judgment in particular circumstances - a depressing but sane conclusion. Do not, of course, ask where the necessary wisdom is to come from. Just recall that after his return home Gulliver spent four hours a day talking to his horses.

Behind the 'Dear Bill' image

Malcolm Rutherford on an essential addition to the Thatcher bibliography

Street years, Denis Thatcher had a cardinal rule: "never give interviews, never talk to the press". The reason was that if you gave one interview, you would be asked for more, and even more important, there was a strong chance that the reptiles would misreport you.

Lord Deedes of the Daily Telegraph - the "Dear Bill" of the famous *Private Eye* letters - persuaded him to relent and talk to Carol. And, as Denis admits, it was the "Dear Bill" letters which contributed to the making of a consort, at least in the public image. Gin-swilling, golf-playing, mad about rugby and thoroughly reactionary

on practically every subject under the sun, he emerged as a lovable figure, a force for good far more than ill.

This image is not quite true. Thatcher has done her homework, including research in New Zealand where the minor, but useful, Thatcher fortune began through applying arsenic to sheep dip at the end of the 19th century.

Denis (spelt Dennis in his birth certificate in Lewisham in 1915) always had an eye for a balance sheet. When Margaret was a relatively unknown cabinet minister and the Rolls-Royce crisis blew up in the early 1970s, he had read the accounts

for the last six years and concluded that the company was basically bust. The cabinet was much impressed by Margaret's knowledge of corporate finance, but said Denis modestly: "Don't ever do that to me again! Supposing I'd been wrong?"

On some matters he was a liberal. He was opposed to capital punishment while Margaret was in favour.

Once, however, the tables were turned. In a moment of relaxation Denis told the annual dinner of the London Society of Rugby Football Union Referees in 1978: "If the soccer players can go and play in Russia and our table tennis team can go and play in China, as sure as hell we can play our game in South Africa."

He forgot that reptiles were present in the form of rugby correspondents, and it was left to Margaret (and the Queen) to pick up the Commonwealth pieces.

The book has a sting in the tail. Higher wisdom in the Tory Party always had it that when the time came for Margaret to go, Denis alone

could tell her. According to this account, Denis did his stuff somewhere around Christmas 1988 on the perfectly reasonable ground that "ten years were enough". He thought he had succeeded. Then Margaret went off to Lord Whitelaw, one of the founts of the higher wisdom in the first place. Whitelaw said: "You can't do that, there'll be blood on the walls when choosing your successor. It will split the party." So Margaret stayed, as Denis had always suspected she wanted to do.

Denis was right and Whitelaw was wrong. It is quite striking that Whitelaw is not listed in the book as one of his favourite golfing partners. But the last word is with Lord Deedes. "It can be argued", he told Carol, "that Denis would have had a pretty dull life without the amazing coincidence of being married to the first woman prime minister of Britain."

Droit de seigneur through the ages

Fiction/Antony Thorncroft

are utterly convincing because they are placed in a very precise historic context, by the struggle between the receding Celts and the triumphant Anglo-Saxons, the Celtic Church and the Roman. Anyone needing to recap on the arguments for the dating of Easter should reach for Bragg.

Of course it is too long. The momentum never quite recaptures the opening chapters set in the great hall of Cathal, where honour demands Bega be buried alive if she objects to her father's choice of husband. But for a surprising number of pages Bragg manages to conjure up some of the epic grandeur of a Tolkien or a T.H. White: the Arthurian influence is pervasive.

When Padric, the Celtic prince dedicated to the preservation of his tribal kingdom (based around Bragg's native Carlisle) fights to the death, together with his two brothers, against a Northumbrian raiding party, we are back to the best of the Boys' Own Paper.

CREDO by Melvyn Bragg Scribner £16.99, 757 pages

APPASSIONATA by Jilly Cooper Bantam £16.99, 623 pages

A WOMAN'S PLACE by Edwina Currie Hodder & Stoughton £16.99, 364 pages

girl pianist turned maestro Abigail) win round the naughty Lower Third (her sex-obsessed, irresponsible, orchestra) who tease her to death?

Jilly Cooper might tilt at the correct boogies - the Arts Council mandarins who make the performance of more works by lesbian composers the condition of a grant, the malevolent influence of sponsors - but there is a hollow-ness to it all, a heaviness of touch that is insulting to the dedicated, overworked, introspective musicians who compose most orchestras. And, for all the name dropping, Cooper manages to mis-spell Pissarro.

It is a relief to turn to the straightforward, almost gentlemanly, world of politics as observed through the wonderfully partial eyes of Edwina Currie. *A Woman's Place* may be short on plot - this second adventure of the curiously Currie-like junior health minister Elaine Stalker is basically identical to the MP's first political fandango, *A Parliamentary Affair* - but she is excellent on the inside workings of parliament.

Any student of politics could hardly do better than use this as a source book, although I do not quite know what to make of lines such as: "through her affair with Roger Dickson (the new PM) Elaine had become familiar with the ministerial area at the back of the Speaker's Chair".

If you love books... THE GOOD BOOK GUIDE

...you'll find a great selection of the best books, videos, audios and CD-ROMs in The Good Book Guide.

Order as many or as few as you want and we'll deliver them - anywhere in the world.

Send for your FREE COPY today.

Name: _____

Address: _____

Country: _____

The Good Book Guide, 24 Sevard Street, London EC1V 3GB, UK
Tel: +44 (0)171 490 9900 Fax: +44 (0)171 490 9908

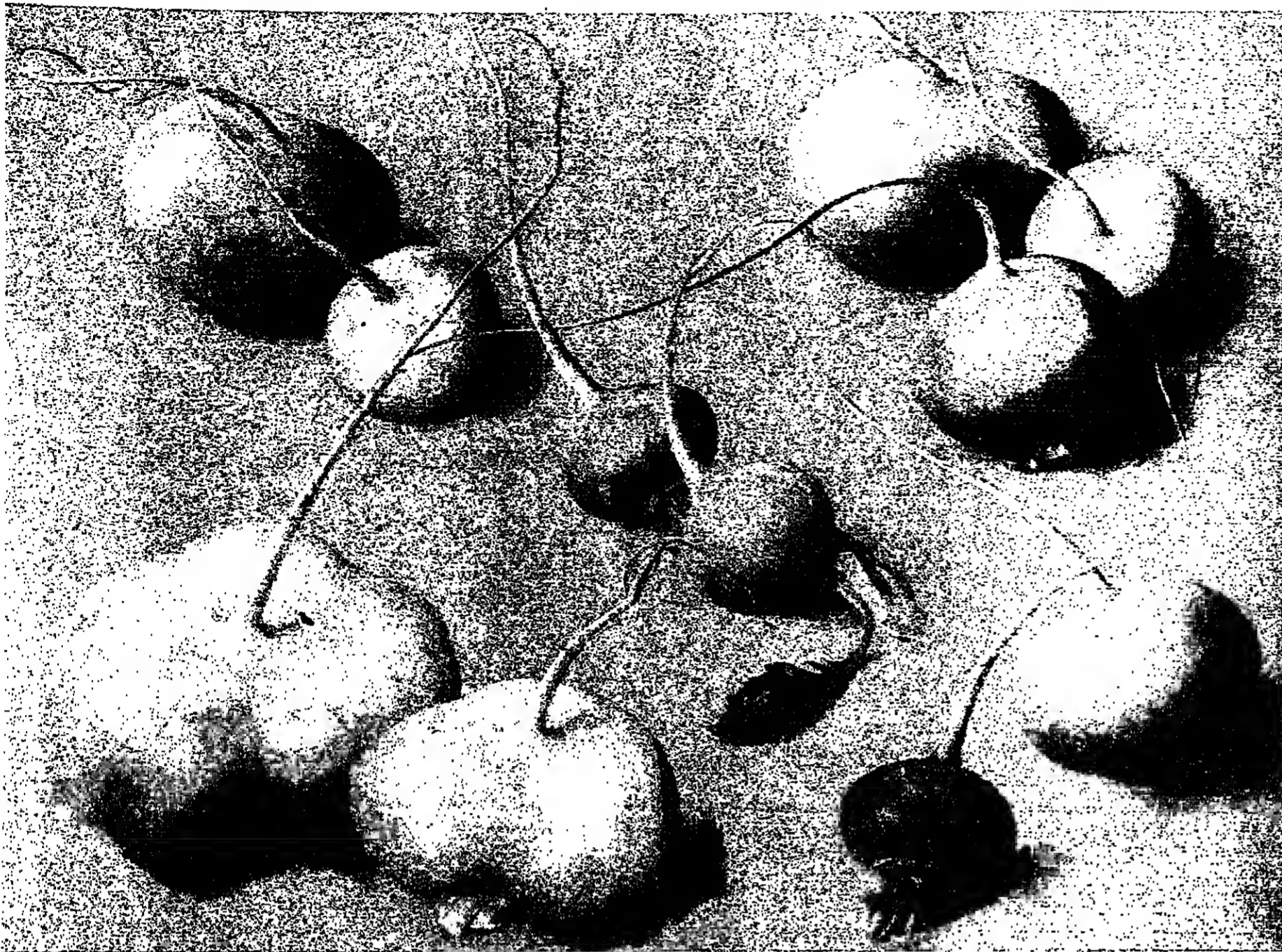
FT BOOKSHOP

To order any books reviewed on these pages from anywhere in the world please call +44 (0)11-964 1251 or fax your credit card details to: +44 (0)11-964 1254

Cheques (UK and Eurocheques only please) can be sent to: FT Bookshop, 29 Pall Mall, London W1D 6BL, UK. E-mail: bkd@mail.boggo.co.uk

Airmail Postage Rates:	Europe	Rest of World
Hardback	£1.50	£7.50
Paperback	£1.50	£3.95

ARTS



The artist invests the everyday with magic: Eliot Hodgkin's turnips are beautiful, strange and suddenly remarkable

Language of still life lives on

It is all too easy, and never more so than in the time of so great a popular success as the current Cézanne retrospective, to see a public gallery such as the Tate only in terms of its temporary exhibitions. But these are but the icing on the cake. The essential gallery rests on its collections, and although it is impossible to show more than a fraction of what it holds, the Tate has set up satellites in Liverpool and Saint Ives, and continues its BP sponsored programme of rehanging the regular displays. The scope thus revealed within the collections is astonishing, the effect one of surprise and interest at each new visit.

One special feature developed within this general exercise has been a series of study displays upon a given theme, some admittedly more successful than others. Now, with *Still But Not Silent*, it is the turn of the still life: some 30 paintings and a few sculptures, British and foreign, from the 17th century

to the present day, make up the show. Still life has been part of the currency of art since it began, albeit as a symbolic, narrative or decorative adjunct in the first instance. Though, from the late Renaissance on, particularly in 16th and 17th-century Spain and Holland, it was then developed as a distinct discipline and genre: it has clearly retained much of that old symbolic potency, if increasingly after an oblique and unspoken fashion.

A *vanitas* of 1696 by Edward Collier, an expatriate Dutchman who worked in England in later Stuart times, with its skull and wine-glass, its books and music, may be clear enough in the message it bears as to the evident transience of human pleasures. "What I was is passed by, / What I am away doth file..." runs the epigraph on the frontispiece of Wither's *Emblemes*, the book shown. But, 230-odd years on, does the small late-cubist composition by Juan Gris (1924), with its

fruit in a bowl and its violin, carry that same, if now implicit message? The fruit will still rot, the music vanish on the air.

For all our latterday knowings and scepticism, we live still in a world stiff with sign and portent, if only the imagination stays free enough to read them. And it is through the still life that the artist invests the everyday with the magic of the particular and the remarkable. The point and the mystery of it is that such investment need not be conscious - for it is a truth of all true art that the artist intuitively puts into the work rather more than he knows.

Some artists do, of course, make conscious play with meaning and image. Ian Hamilton Finlay carves a machine-gun in elegant relief (1977), with the ironical inscription, *Lays*, beneath. Tim Head (1987) derives an abstracted image from schematic drawings of cuts of meat, sectioned brains and chromosome diagrams, all rather uncomfortable

in its present topicality. J.G.S. Herbert (c.1862), steeped in mid-Victorian piety, sets fading petals and decaying moss of a pre-Raphaelite exactitude against a bright vision of the celestial city.

But even they must leave the reading and experience of their work open and ambiguous to some degree. With Eliot Hodgkin (1971), all we get are a few turnips, pink and white with long curly roots against a dull ochre ground. Yet how beautiful they are, and strange, and suddenly remarkable. David Bomberg at his lowest ebb, rejected as a war artist and his work ignored, quite simply renews himself with a bunch of lilies (1943), lush in their dark, rich, expressionist paint.

The *Vanitas*, *Fruits of the Earth*, *Flowers*, *Memorabilia*, the *Artist's Studio*: so runs the sequence of loose categories within the show. But in truth all are the same. We take them one by one and find Vanessa Bell's brace of pheasant

and bottle of wine (1931) quite at one with William Ferguson's hung game (1684), Cedric Morris's sunburst of lilies (1943) with Edward Middleditch's *Flowers* on a chair with bedsprings (1956), Gertrude Jekyll's black gardening boots by William Nicholson (1920) with Cézanne's unfinished apple (1930), Steven McKenna's metaphysical baskets (1965) with Leonard Appelbee's neo-Romantic King Crab (1938), David Tindal's altar-like table-top (1974) with Morandi's little white jars (1946).

Still life, the modest simulacrum of reality, its essential subject inevitable mutability and decay. All these works, in their several ways, are simply variations upon the *vanitas*. Still life can be nothing else.

William Packer

Still But Not Silent - still life painting and sculpture from the Tate Gallery collections: Tate Gallery, Millbank SW1, until July 14.

Television/Martin Hoyle

Life as soap scenario

Sometimes the temptation is to think that life is merely a sitcom, either because an apparently improbable and near-far-far-far series like *Men Behaving Badly* (currently being repeated on BBC1) reveals the uncomfortable roughage of reality beneath the froth; or because a weird blend of comedy and *cinéma-vérité*, soap and sulphur, blurs the distinctions between calculated comedy and realistic reportage. The latter, epitomised by *Cardiac Arrest*, does not inspire confidence in the medical profession. Last week's episode sparked an uneasy echo with its gay medic, found to be HIV positive, prompting letters to the countless patients who had passed through his hands. The series is not as incisive as it was, the humour not as iconoclastic nor the observation as grim. At its best *Arrest* recalls ITV's *The Bill*, with its no-nonsense presentation of charmless and sometimes alarming cops in a job that seems to be 90 per cent frustration. I hope it does not take the easy way into the limbo of mindless entertainment.

The conviction of life as sitcom scenario storyboarded by that great media magnate in the sky received a fillip from Wednesday's *Modern Times* (BBC2). Shades of both the wonderful *Men Behaving Badly* and the appalling *This Life* were raised at this funny, sad and altogether admonitory survey of finding a flatmate. Three nice Christian girls prayed before placing their ads, asking themselves what Jesus would have written. Two jolly pagan girls of the Sloane persuasion giggled about blokes ("Wouldn't Craig MacLachlan be lovely?" they gurgled) and hung out their "Catch a Man 94" tee-shirts to dry. Three young men with more caution than arithmetical ability wanted a girl to "balance" the household.

The Australian turned out to be on anti-biotics for eyes, lungs and, one suspected, much else. "I'm a bit of misery at the moment," he added superfluously. An Italian put their untidiness to shame, especially in the bathroom. A girl applicant revealed they had been using the washing-machine inauspiciously all their lives. Then their "fantastic" choice let them down at the last moment in what sounded like an understandable case of cold feet.

Of the three male questors one never spoke but lolled, blond, in bare feet and shorts, ringing rickshaws on eating, drinking and pick-

ing his toes, sometimes simultaneously. They took polaroids of all their applicants and eventually opted for an aspiring solicitor with most "background" (Cambridge) in common. Questions were asked, in varying degrees of incredulity, about hoovering and tidying.

The three Christian girls' wistful search for a bloke with lots of friends threw up a few oddities, like the young man who had found religion on a train and urged them to come out with it if they found him "weird". He was not deemed suitable. We left them with a girl harper who, though Christian, played rock music at ear-splitting levels and put up a boyfriend for the odd night when he was apparently too unwell to go home. They seemed rather worried.

Like all soaps, life has its ugly moments, unlike soaps its mysteries are sometimes never cleared up. Channel 4's *Dispatches* postulated the theory that WPC Yvonne Fletcher was killed not by a sniper from the embassy but by a sniper from a nearby building with the possible connivance of both British and American security services. An apparently wild conspiracy theory was backed up by physical evidence, and the assertion that a "major incident" was needed to raise the stakes against Gaddafi. I was not convinced, but an investigation is being urged.

BBC's more disturbing *Rough Justice* homed in on the Carl Bridgewater case: the paperboy was shot in 1979 on an isolated farm, seemingly having disturbed robbers. The four convictions depended on the disputed confession of one of them, since dead. The remaining three have always asserted their innocence. The programme unearthed an extraordinary set of circumstances pointing an inquisitive finger at the boy's neighbour who was jailed for shooting a friend shortly afterwards. Personal description and sighting of vehicles, among other factors, indicate his presence, and his friend's, at the site of Carl's murder on the day of the crime. An overpowering set of coincidences. "Fascinating, isn't it? So what?" says the man, now out of jail. He seems to have taken the words out of the mouth of the Home Secretary who, oow that the prosecution has expressed concern at the non-disclosure of evidence, is the only one hocking a new investigation. This probing journalism reaffirms one's faith in television.

Radio

The truth eludes moral pretensions

Fatuity of the month: Lord Belth was as dangerous as Hitler in this country. So sneaked the endemically hysterical *Moral Maze*, here represented by historian Dr David Starkey in one of his more ludicrous outbursts. Along with journalists, media dons have recently found their own circle of hell in public disrespect. Photogenic Michael Wood, another historian, has acquired a faint but unmistakable trendy Estuary accent, as heard on *Looking Forward to the Past*.

This once entertaining cross between a civilised conversation and an after-dinner party game has sunk into the fashionable doldrums of national self-loathing, with obligatory references to "these benighted shores" and the blighted promise of 1945, never fulfilled - as if the majority of people were not infinitely better off than they were. A bemused audience was chirped on by the bubbling Paul Boatman, a splendidly lively presenter. But Lord St John of Fawsley sounded determined to impersonate the club bore, which he is too clever and amusing to be allowed to do.

Working History inspires much more confidence, but then this contains serious information, not self-advertising hahbling from the groves of academe. A recent edition looked at what we can adduce from bones as regards historical care for the handicapped. Enough for expert archaeologists to disagree, it seems; for Charlotte Roberts detected signs of caring while Theya Mollison took a less comforting line. A congenitally deaf child from Roman times had been buried on its stomach as if "they" did not want its spirit to return. We were also reminded that the Anglo-Saxons plunged new-born babies into cold water to ensure that only the hardy would survive. John Slater presents this excellent look at behind-the-scenes history studies with no frills, no phoney accent.

The programme instructs and entertains, not too far removed from the Bethalian ideal, despite distant squeals of protest from the *Starkeys* of the world.

It was not just Easter that made one understand Pilate's hopelessness in sorting out objective truth. At a lurch to launch Radio 4's *Asia File*, an Indian journalist asked

us with complaints that British programmes for the British public used British reporters. I am unsure what permutations can guarantee finding absolute truth or if such a thing exists. But using indigenous reporters to inform foreign audiences is as good a formula as any. Never mind; the commitment is strong and the stories need telling. Asia's plague of golf courses at first sounds trivial. But with a membership fee of 70,000 US dollars and large American enterprises concerned we are talking big money. No wonder senior civil servants are on the committees that give the go-ahead for the destruction of forests to make way for fairways. The homeless peasants, their houses and land gone without compensation, recall the enclosures in Tudor England or the Highland Clearances. *Asia File* is a fine addition to the BBC's generally noble service abroad.

Dr Starkey's fatuity just had the edge over Clare Rayner brazenly lamming into Christianity on *Today*, holding it responsible for war, bloodshed, slavery and probably the England cricket team as well. Even Melvyn Bragg was moved to snap at her woolly-minded generalisations.

Daphne Hampson of St Andrew's University has no such excuse for the solipsistic arrogance she displayed in *The Day God Died*, a pre-Easter discussion on the deity chaired by Joan Bakewell. By her own admission, feminist Daphne "couldn't give a damn about what Jesus said about women", she also knows "perfectly well" there could not have been a resurrection. Ageing iconoclast Don Capitá defined his faith as acknowledging his own vitality. The only puzzle is why Daph and Don call themselves Christians.

Gordon Clough has died. His urbane, witty and friendly articulateness was always a joy, whether presenting news programmes or chairing *Round Britain Quiz*. Undeniably chubbable, he gave welcome signs of impatience at the prolix and the pretentious. I would have loved to hear him with David Starkey... or Dapp... or Don...

M.H.

There was the usual sprinkling of Rolls-Royces and red Italian open top sports cars parked casually by the Hotel de Paris. The spring sunshine did not stop the Italian women in very high heels walking in their fur arm in arm with their smaller husbands in dark glasses around the *carroussel*, the round flower bed with its fountain and palms in the middle of the *Place du Casino*.

On the steps of the Monte-Carlo casino, supercilious doorman shooed away improperly dressed tourists. On the terraces overlooking the sea, a small crowd of Japanese visitors including a couple of Buddhist monks had gathered around a statue of two oversized doll-like figures. They gazed, took snaps, and bent down to read the sign under the two huge figures with their blown out paunches and fat buttocks: Adam and Eve by Fernando Botero.



Botero's designs for Donizetti's opera 'La Fille du Régiment' at the Garnier, part of the principality's efforts to enhance its presence in the international culture circuit

Obesity placed centre stage

Paul Betts finds Botero's exaggerated sculpture at home in Monte-Carlo

It is expensive, spotlessly clean and incredibly safe. It combines the sunny opulence of Beverly Hills with the atmosphere of a turn of the century operetta. It is minuscule (it would fit inside Hyde Park) but everything about it is exaggerated - just like Botero's sculptures.

The Colombian artist first hit the streets of Monte-Carlo four years ago when a gallery held an exhibition of his works in the casino gardens. Until a few weeks ago, a hugely fat Botero dog stood guard outside the *Café de Paris*. Fat peasant women and bloated men, all

ranked of course, sheltered under the shade of palm trees twinkling with fairy lights. The Colombian, whose works have also lined the Champs-Élysée and New York's Park Avenue, must have chuckled at the ironic humour of his statues blending in so well around the casino and laughed all the way to the bank. His works have fetched \$1m plus.

Now he has made it inside the casino itself, not the gaming halls but the charming *salle Garnier*, a mini replica of the grand Paris

Opera built by Charles Garnier. Botero has designed the sets and costumes for a new production of Donizetti's *La Fille du Régiment*, the finale of the Monte-Carlo's opera's latest season and part of the principality's efforts to enhance its presence in the international art and culture circuit. The idea is to lure visitors by staging top class artistic events and not simply attract them with motor racing events, tennis matches, gambling, café society galas and what is euphemistically known as efficient tax management.

Botero must have had fun with this production. His universe of fat people crowded the small stage dominated in the first act by one of his huge nude statues. In the second act, the statue's two gigantic buttocks stared at the audience through an open window. All the characters wore heavily stuffed costumes disfiguring them into Humpy-Dumpy figures.

The overall impression was of a surrealist children's three dimensional pop-up book. But as the opera unravelled and the initial sur-

prise of the décor wore away, it all became more realist. These bloated costumes began to look perfectly natural in the world of *bel canto* with its mighty tenors and sopranos.

It was also a way of rediscovering an artist who in recent years has tended to repeat himself by overworking a single successful theme. Like other artists, Botero has used an opera production to great effect to refresh his artistic universe. And Monaco could not have offered a better stage.

صورنا من الامم

ARTS

Festival of two ghettos

Despite Abbado's attempts to make new music an integral part of Salzburg's Easter festival
Andrew Clark finds 'museum' music for the rich and token modernism for the poor

A single red rose adorned the bust of Herbert von Karajan at Salzburg's Grosses Festspielhaus last weekend, and it spoke volumes. With his death seven years ago, a core of Europe's richest music-lovers lost their idol, and the Easter festival lost its centrepiece. It has never been the same since.

In the immediate aftermath of his death Karajan's reputation suffered a dip, but the balance is now returning in his favour. Unlike at the summer festival, mention of Karajan's name is not frowned on at Easter. Encouraged by photographic displays in the foyer and his widow's efforts to keep the name alive, the festival's old guard enjoys reminiscing about the Karajan era. Easter is their annual reunion - a way of keeping the flame alive in less propitious times.

Karajan knew what he was doing. With the help of the Berlin Philharmonic, whose services came courtesy of the German taxpayer, he fashioned the Easter festival in his own image. It had to be a private festival: Karajan wanted to be answerable to no one but himself. This makes life difficult for his successor, Claudio Abbado. Unlike Karajan, Abbado cannot bank on unquestioning loyalty from the public, so the festival's conservative audience now calls the tune. Elsewhere, cushioned by public subsidy, Abbado can programme as much Nono and Zimmermann as he pleases - but when people are paying a princely sum out of their own pockets, they do not want to be confronted with ugly modern sounds.

This explains the enormous discrepancy between the way Abbado talks about the Easter festival and what he actually programmes. In an interview in the festival book, Abbado says he aims to educate his audience by making new music an integral part of the festival. "This is the only way... to keep the festival alive. [It] must not be allowed to degenerate into a kind of museum devoted solely to the past."

This sounds both patronising and naïve. The festival's contemporary music series, founded by Abbado and entitled Kontrapunkte (Con-

trapunkte), attracts fewer than 200 people per concert - mostly musicians, students and critics. You could hardly expect more, even if you paid people to come. The main festival programme, which brings in the money, continues to be devoted to the classical and romantic era, and there is no cross-fertilisation. The result is a festival of two ghettos - "museum" music for the rich and token modernism for the poor. Kontrapunkte is a well-meaning venture, but it is irrelevant to Salzburg at Easter.

Salzburg may not be everyone's favourite destination over the

Unlike Karajan, Abbado cannot bank on unquestioning loyalty from the public so the festival's conservative audience now calls the tune

Easter holiday weekend, but this year the sun came out, the tourist crowds were good-humoured, and festival visitors could take home a tidy bunch of musical snapshots: the opening theme of Bruckner's Fourth Symphony, played to perfection by the Berlin Philharmonic's new principal horn, Stefan Dohr; the choral and orchestral storm at the start of *Otello*, brilliantly marshalled by Abbado; Frank Peter Zimmermann's choice of the fascinating Leopold Auer and Kreisler cadenzas in Beethoven's Violin Concerto; and the reluctant smile with which Bernard Haitink acknowledged the standing ovation at the end of his Easter Sunday matinee with the Gustav Mahler Youth Orchestra.

Nevertheless, it was a far-from-ideal festival. The Kontrapunkte concerts at the Mozarteum were devoted to Italian chamber music

from Verdi to the present - Abbado's idea being that the theme should tie in with the operatic centrepiece of the festival. But Italians have always thought of music more as a vocal than instrumental art, so this was never going to be one of the great Kontrapunkte series. It simply underlined the phenomenal effectiveness of Berio's music, especially when set alongside the output of his compatriots.

That judgement applies not so much to his Weberian string quartet of 1968, a curious piece of youthful homage, as to the *Sequenza* instrumental solos, dazzlingly played by members of the Berlin Philharmonic. These are modern classics. Berio's ear for musical theatre, and his mastery of the balance between form and content, have never been more convincingly demonstrated - especially in *Sequenza V* for trombone, a *tour de force* of musical suggestion inspired by a clown Berio knew in his childhood. Hermann Bäumer's performance was inspired.

But the orchestra's excellent chamber music ensembles could not make the post-serial clichés of Franco Donatoni, Salvatore Sciarrino and other members of the Italian avant-garde. Worst of all was Donatoni's *Holly* (1990), a dirge of monotonal constructivism for cor anglais, oboe, oboe d'amore and 18 instruments. Why did Kontrapunkte favour composers like Donatoni and completely neglect Nino Rota? Because Donatoni's music, however arid, is politically correct; Rota's musical works are too "mainstream".

There were mixed pickings, too, in the symphonic concerts at the Grosses Festspielhaus. The best of the bunch was a Haitink programme pairing the Bruckner Fourth with Mozart's *Jeunehomme* concerto. In the latter, Murray Perahia provided a kaleidoscopic stream of colours and insights, awakening acute attention from orchestra and audience. Haitink's Bruckner was equally illuminating, because it was dynamic, taut and purposeful, combining seamless organic growth with a sense of vibrant architecture. It sounded like Bruckner's finest symphony, thanks to Haitink's extraordinary vigour

and the Berlin Philharmonic's tonal bloom.

Comparing this with Abbado's Bruckner Seventh the following evening was salutary: one wondered momentarily why the orchestra chose Abbado and not Haitink as principal conductor. There was none of the cumulative inevitability which marked out Haitink's approach. Too much phrasing and balancing was left to chance, and there was little sense of underlying tempo relationships. In the great Adagio, Bruckner's rising edifice wobbled like jelly, lurching forward one moment, retreating back the next. Abbado seems temperamentally unsuited to Bruckner.

Otello was equally disappointing. Perhaps Abbado was hoping that Ermanno Olmi would bring the same insight to Verdi's great Shakespeare opera as another film director, André Tarkovsky, brought to *Boris Godunov*. It was not to be. Olmi's staging was static, monochrome and, in the Act 2 flower scene, soporily sentimental. Lucio Fanti's decor consisted of a stepped rock-mound, marooned like an island in the oceanic wastes of the Grosses Festspielhaus stage. It could have been made to work for *Tristan*, but it was an inadequate response to the fluctuating moods and settings of *Otello*.

The principals were left to fend for themselves. The big draw was Plácido Domingo, kitted out by Chloé Ohlensky more like a Spanish grandee than a Moor. He was announced as having a cold at Monday's performance, and at one point in Act 2 it looked as if everything might grind to a halt. But even in the earlier broadcast performance the voice had sounded uncomfortably tight, with all the isolated top notes missing. As for the acting - well, these days Domingo is much the same whatever he sings. It would have been preferable to remember him as one of the great *Otellos*, rather than be confronted by a cracked legend.

In such uninspiring surroundings, Ruggero Raimondi's Iago was subdued - though his stage presence was as strong as ever, and he pulled off the Act 1 *Brindisi* with a compelling mixture of Mephistophelian grandeur and vocal guile. Desde-



Plácido Domingo and Ruggero Raimondi in Ermanno Olmi's static staging of *Otello*

mona was sung by a promising young Italian, Barbara Frittoli, whose large lyric soprano goes well with her tall good looks.

turned Verdi's music into an instrumental blockbuster, laden with dazzling brass *sforzandi* and deafening percussive flourishes. Perhaps the acoustical balance of the Grosses Festspielhaus is at fault (though it never seems to bother the Vienna Philharmonic); or perhaps the Berliners are too used to the spotlight to play second fiddle. Whatever the reason, it was alarming and distracting.

Unchecked by Abbado, they Gérard Mortier, director of the summer festival, will be glad he turned down the chance to co-produce this *Otello*. Instead, it goes to Turin, and there is talk of reviving it at the 1998 Easter festival, followed by *Tristan und Isolde* in 1999 and *Simon Boccanegra* for the millennium.

The acid test of Abbado's policies will come next year with *Wozzeck*. With a staging by Peter Stein, and Bryn Terfel in the title role, how can the "Karajan pilgrims" say no?

Conductor on the move from frigate to oil tanker

As 'Medea' opens in Leeds on Monday, Martin Hoyle talks to Paul Daniel about his work and forthcoming appointment to the English National Opera

As the train slows down and the civic spires rear in the distance, the sign says "Welcome to the promised land". Not this year in Jerusalem (though Verdi's *Jerusalem* was built here in its British premiere). As we are informed, in slightly more self-effacing point, this is Leeds.

"The fastest-growing city in Britain," says the loyal taxi-driver. The North West Yorkshire Playhouse is a relatively new institution and its predecessor, the Playhouse, was the result of lobbying that started only in 1968. And the Grand Theatre is the seat of the youngest of Britain's regional opera companies, Opera North based in a provincial town of 150,000 in 1978, and is now an autonomous, individual high achiever.

On Monday it takes a risk with one of opera's problem children. There are at least two versions of Cherubini's *Medea*, neither of which has enjoyed much success at Covent Garden, despite the presence of Callas in the Germanic overtly "operatic" version 35 years ago. A slimline (and disastrously thrifty-looking) production, conceived as one of the Royal Opera's cheap stopgaps, was booted a decade ago. One of the problems lies in the spoken dialogue - as originally intended - always a trap for opera singers and a potential hobble on the dramatic pace.

"It takes more work than singing - not because they're bad at it," the conductor, Paul Daniel, assures me. "It's just not given the time and weight it needs. There was a tradition of spoken rhetoric on the Paris stage and you automatically locked into it."

He reminds me that *Carmen* and *Faust* would later also be conceived with speech. "Most of them have recovered from the junk thrown at them - extra music, recitatives - throughout the 19th century." The pre-Napoleonic *Medea* (1797) fell victim to the treatment in about 1850 "which has gone in this production," says Daniel firmly. "Not that I'm a purist. I'm for the most perfect version possible. I'd love to admire a good production that used recitatives - like the Callas recording - but I just don't think they're right."

Especially as the performance is sung and spoken in English. "It takes it out of the museum case. It's the immedi-

acy of the piece that hits me. Cherubini was a jobbing composer and we're a jobbing opera company."

This particular job fields Dame Josephine Barstow in the title-role, directed by Phyllida Lloyd, something of an Opera North discovery, with successful productions of Puccini, Britten (*Gloriana* came south to Covent Garden) and, emerging as a house speciality, Chabrier to her credit. The production side is important to Daniel. "I've never been involved in opera when it was not exciting. I was lucky to start in the 1980s, with David Freeman's *Orfeo*, not a bad

continental European operatic sausage-factory churning out assembly-line productions, like Munich.)

Artistically, Daniel brings, in his mid-thirties, a vast operatic experience to the London Coliseum, unlike his predecessor, the musicianly Stan Edwards, who struck some critics as learning the opera-house routine as she did the job. Something of a Verdi specialist (he conducted *Jerusalem*), he ranges from Mozart to Berg, taking in the Russians (he worked on the translation of Dargomizhsky's *Stone Guest* with his wife, the soprano Joan Rodgers, when he conducted the British premiere at ENO in 1987). But when it comes to repertoire, "Your job is not to be a judge," he quotes Rudolf Kempe who brought talent to routine revivals of *Carmen* and *Butterfly* while remaining a superlative Wagner and Strauss conductor.

You feel Verdi is Daniel's idol, something of a problem, given that the British produce notable voices for Mozart, even Wagner, but not full-throated Italianate tone? "The other day, talking about whether a voice was going to be Italian or German, I concluded there was no difference - except that Italians train better. In terms of what we think of as tradition, some of the best Wagner voices are Italian-trained. I can't bear Wagner being belted, the kind of bull-worker tradition - 'I can exert more pounds per square inch than you.' I think Wagner should be more transparent than Puccini."

So what about Puccini, bread-and-butter of the rep? "Amazing. You care for his characters." Mozart? "Recently a soprano came to sing, not audition, just work in progress. Her Eva [*Meistersinger*] was very easy, but when she sang the Countess in *Figaro* it became apparent that if you're not touching base with Verdi and Mozart you can go seriously off the rails. For Eva, Puccini, you don't have to be completely fit. You have to be in absolutely top form for Amalia or the Countess. Like going back to the doctor for a check-up you go back to the classical repertoire - I count Verdi as classical too."

The mention of Strauss reveals someone not entirely converted. "The best Strauss is the shortest. The orchestral pieces are brilliant but as soon as it's more than half an

hour... Christoph von Dohnányi compares conducting Strauss with visiting a whore. It's exciting to think about, fun while you're doing it, but you feel ashamed afterwards."

We move quickly on to the contemporary repertoire. "I'm still devoted to the idea that one day we'll live in a culture in which a composer writes for the theatre and audience that he knows, where they know one another. It had been good enough for 300 years, until this century. We've done nearly a quarter of opera's lifetime without it. It's a bit worrying..."

Daniel has no desire to be a figurehead MD. Opera North, he maintains, provides an example of collective loyalty. "Here there's a sense of adventure, a sort of equality, where every point of view has the same validity. Some of our best ideas come from what in other companies would be called the bottom rung." He has one or two "babies" he regrets leaving up north, notably in the field of new orchestral commissions from young composers.

But he has no doubt that his departure from Leeds will, in the broad scheme of things, be as seamless as he hopes his arrival in WC2 will be. "Companies are wheels that go round and round. They don't stop for one person to get off and another one to get on. If it's a good company the wheel turns very positively, no slowing down, when you get off and someone gets on."

Pipe him aboard the oil tanker, and beware the rocks.

Paul Daniel is the artistic director of Opera North. He will be moving to the English National Opera in London in September.



'Trees in the Courtyard, British School in Rome': one of the drawings in an exhibition of work by the Financial Times' art critic William Packer at the Pains Feetham Gallery, 475 Fulham Road, London SW6 from April 19 until May 11.

Oscar, Steve - and Doris

Now for some word association: if your instant response to "Oscar" is "Hammerstein", and "Steve" is "Sondheim", you have probably already caught Mandy Patinkin at the Almeida in Islington. Patinkin is enormous on Broadway, and a cult hero, and the title, *Oscar & Steve*, sums up his act.

He comes up like a young Tony Curtis, chunkily handsome in a cheap black sweat-shirt. His prop is a chair; his support Paul Ford on the piano, and his business is the American popular song. But no, you have not been here before, many times. As soon as Patinkin opens his voice you know this is going to be different.

His magpie approach to the music is endearing, switching from the Yiddish joke - "Cohen owes me \$97", an Irving Berlin song of 1918 - to the

re-assuringly predictable finale of "Somewhere over the Rainbow", in between is the totally unexpected: "Taxi", Harry Chapin's sad song of wasted dreams. He also makes audience participation seem almost like a good idea, with a spirited version of "Honey Bun". If you like your Broadway with balls, Patinkin's is for you.

Anyone turned away from his sell-out shows might nip round the corner to the King's Head, where *Definitely Doris* provides more American music. This pretends to be the life and songs of Doris Day, Hollywood's virgin queen, who gave it all up to care for animals and to overdose on dusting. "Everyone has a hobby; I collect brooms". There is no quarrel with the songs, over 30 of them presented with reasonable panache by a five-strong cast, aided by piano and bass. It is hard not to sing along with such cheerful melodies as "Teacher's Pet", "Secret Love", and "It's Magic", evocations of sexual

innocence before the great fall. Production values are minimal although Patty Carver makes a fair fist of Doris and Lori Haley Fox has some sparkle some of the men look as if they have wandered into the wrong show. But the life is another matter. While Little Miss Toothsome on screen, famous for never being without her nightie, Doris von Kappelhoff was ill-used by men over three marriages, her last husband leaving her virtually bankrupt. Little of this gets across, the story line being largely based around her silly and sentimental fan mail. This is the comic strip Ms Day, a show created in the US where stars are treated with respect, summed up in their escapist music. Perhaps some time Doris Day's topsy-turvy life and successful career can be presented against a more realistic backdrop, the superficial gloss removed and the truth finally revealed about this surprisingly feisty and enigmatic woman.

Antony Thornicroft

TICKET ANNOUNCEMENT
GRAND PRUX, SILVERSTONE. Grand Prix and Grand Prix...
Tel: 01753 587111

Chelsea Art Fair
Chelsea Old Town Hall
Kings Rd, SW3
April 19-21
30 Galleries, Dealers & Artists
Paintings, Drawings & Sculpture
No Old Masters to Contemporary Works
10am-6pm
Sunday 11am-5pm
Admission 20
Preview Reception
Thurs 18th, 5-9pm
Tickets £25
Permanent Fairs
0171 351 1990

TRAVEL

Zanzibar: Venice without the canals

Stanley Stewart visits a remnant of a seafaring world

Zanzibar seems to belong to an atlas of the imagination, somewhere between Ruritania and Lilliput. Even the name suggests fantasy, less a destination than a traveller's mantra, sibilant and seductive. Say it often enough and carpets might fly.

But on the crowded quays of Dar es Salaam, Zanzibar was just another port of call. Passengers armed with suitcases the size of wardrobes were buying tickets from a row of boat offices.

In the bustle of departure I was carried aboard between a tearful woman and a man trying to interest me in his rubber stamp business. We set sail for Zanzibar through a harbour of rusting freighters.

By the time of its cameo appearance in *The Arabian Nights*, in the 9th century, the island of Zanzibar was part of a seafaring world in which Muscat, Mombasa and the Malabar Coast were tethered to one another by the trade winds of the Indian Ocean.

By the 18th century, when the Portuguese arrived, it was one of a chain of thriving East African coastal cities which bore little connection to the interior. Its religion came from Arabia, its traditions from Persia, and its luxuries from India and China.

Only a century ago its estates stretched from the African lakes to the Gulf and its rulers were courted by the crown princes of Europe. Today it is part of Tanzania, one of the poorest countries in East Africa.

From Dar, it is an hour's crossing on a sea decorated with dhows. From an upper deck I watched Zanzibar rise from the horizon: first the tipsy palm trees, then a patchwork of rust roofs and a line of bleached colonnades.

The porter who shouldered my bag on the quay was the descendant of men who had carried Speke's portable sundial to the sources of the Nile. He warned me about other porters, by his account a disreputable mob. It had a familiar ring. Stanley had so much trouble with his Zanzibar porters he hanged half of them.

The hotel was a cavernous mansion built by an Indian trader of the last century. The rooms were furnished with canopied beds and captains' chests. Downstairs the receptionist slept on embroidered bolsters, while beyond the shuttered windows a donkey rider had paused to buy figs from an ancient sage.

Like any island, Zanzibar is a secretive place. Crumbling Arab and Indian mansions overlooking the narrow lanes, their interiors hidden behind lattice screens and vast doors. Elaborately carved and studded with brass, doors are so important to the island's psyche that it is said they are erected first and the house built around them. Yet they are always ajar, the instinct for privacy is complicated by a native exuberance. Domestic life spills into the streets like cooking smells with its quarrels, children and gossip.

Zanzibar is Venice without the canals, quirky and idiosyncratic, full of surprises and odd turns. The meanest alley can

Travel notes for Zanzibar

Flights: The author travelled to Africa with Lufthansa (0345-737747) which flies four times a week to Nairobi. Flares from 2365 return. Air Tanzania (002542-336224) operates onward flights to Dar es Salaam (E92) and Zanzibar (E94). From Dar es Salaam numerous boat and hydrofoil services reach Zanzibar in 75 minutes. Tour operators include Abercrombie & Kent (0171-730 9600) which offers a week in Zanzibar from £975.

Accommodation: The Reef Hotel (0025411471771), a luxury resort on the coast 10 minutes south of the town, has bungalows from £75. In the old town, Emersons House (0025554-30413) is recommended. Should you break your journey in Nairobi, the Norfolk (0800-181123) costs from £143 for a twin. In Dar es Salaam the Shannon (0800-335335) offers a rare oasis in a steamy city from £265. Tours of Zanzibar town and the island can be arranged through Madeira Tours Safaris (0025554-33943).

Guidesbooks: *Guide to Zanzibar and Pemba* by David Ebe (British Publications, £8.95) and *East African Handbook* (Trade & Travel Handbooks, £14).

Other information: Anti-malaria tablets should be taken. Vaccinations for typhoid, tetanus, meningitis and hepatitis A and yellow fever should be up to date. British citizens do not require a visa for Tanzania but are asked to obtain a visitor's pass from the Tanzanian High Commission in London (0171-491 3600).

open unexpectedly into a vista of balconies and pillared porches.

Grand entrances can lead to dusty stairwells, divided tenements and the smell of fish. In the streets one still finds men in flowing robes and women in veils. In tall, shuttered rooms overlooking the sea there are still the clan loyalties, the whispered plots, the Byzantine intrigues of the harem.

In the 19th century any self-respecting African explorer came first to Zanzibar where the slave traders offered advice and porters for journeys to the interior. Burton, off to look for the sources of the Nile, was taken with its licentiousness. Livingstone, off to look for souls, was mesmerised by the place. Stanley, off to look for Livingstone, called it the Baghdad, Isfahan and Istanbul of East Africa.

The island remains a landfill for expatriates. It is the Casablanca of our day, a backwater where expatriate hoteliers and professional travellers can still enjoy cognac at a shilling a shot. At Emerson's House, a splendid hotel run by a wayward American, I dined with the proprietor on a rooftop of

cushioned divans. "Zanzibar is a hybrid," Emerson said over his malaria medicine, formidable gums and tonics.

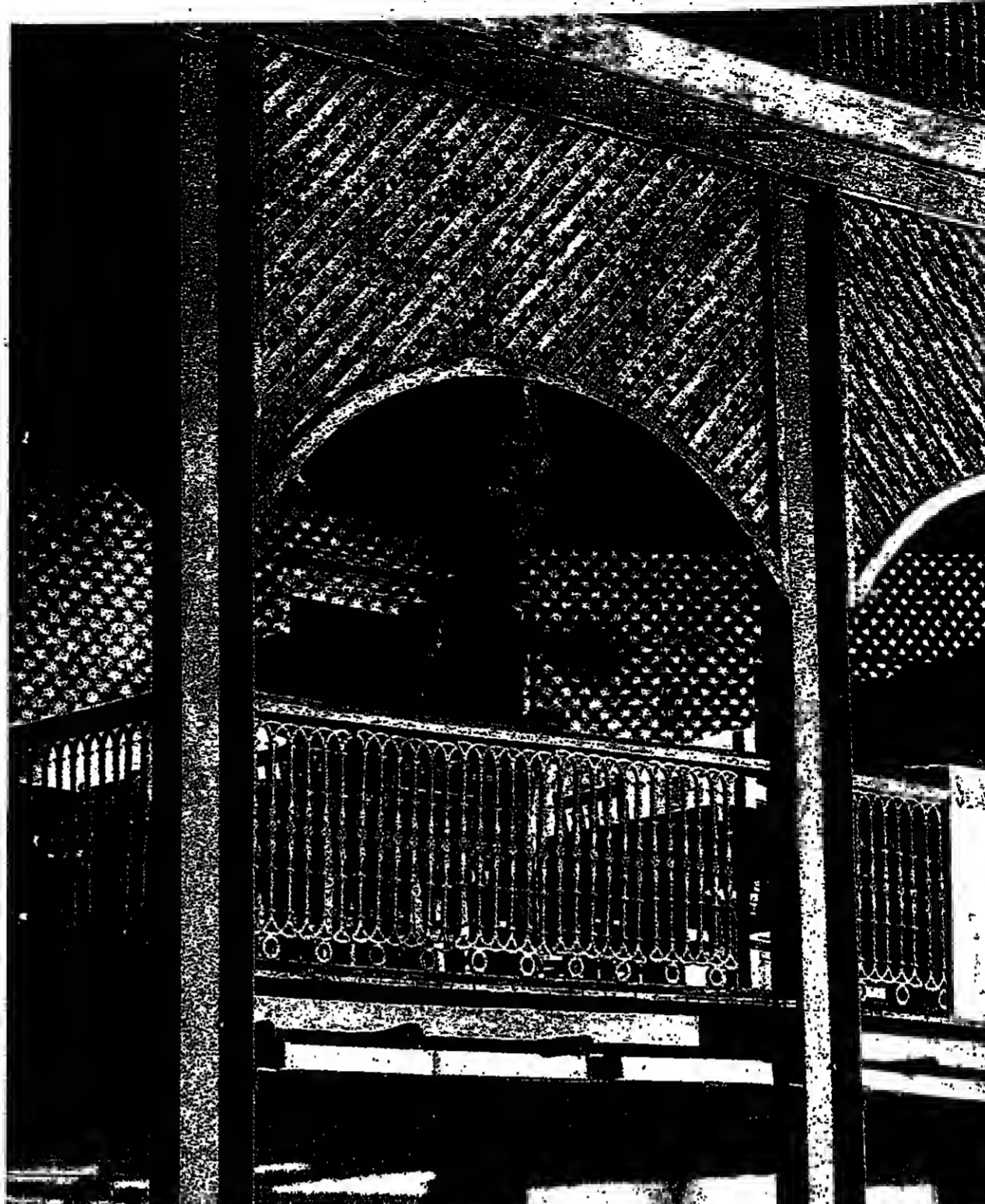
"It's neither Arab nor African. Its ambivalence means that everyone feels it belongs to them." Breaking the jumbled roofscape of the town were a host of minarets, the spires of two cathedrals and the intricate facade of a Hindu temple.

On the sea front, next to the old Arab fort, stands the magnificent House of Wonders. Originally the Sultan's guest house, it contained the first lift in East Africa. It is now under renovation and I was disappointed not to get inside. A recent visitor reported seeing a collection of vintage limousines under cloths of dust and the ballot boxes, still unopened, of the 1964 election.

Next door is the Sultan's palace, now a museum. The household furnishings neatly describe the decline of the dynasty. The carved Indian teak of earlier centuries suggests power and stability but once the Formica coffee tables and fitted wardrobes arrived in the 1950s, revolution could not be far behind.

It came in 1964, a few months after independence, carrying away the Sultan and the merchant classes. It is said that 17,000 Arab and Indian traders were massacred in a single night. The consequences were inevitable - economic stagnation, shortages and emigration. Within a few years, the only British colony to achieve independence with a surplus was an economic basket case.

From an upper balcony of the palace I gazed down into the royal graveyard where bitter rivals now lie side-by-side. Their history through the 19th century reads like a soap opera ghosted alternately by Dostoevsky and Jilly Cooper, complete with fratricide, blood feuds, chase scenes, narrow escapes and adultery in the banana groves. The last Sultan of Zanzibar sought refuge in England after the revolution where he retired, like a bank



Zanzibar is full of surprises and odd turns: the meanest alley can open unexpectedly into a vista of balconies and pillared porches

clerk, to the south coast. The home counties find an echo in the Anglican cathedral with its stained glass, memorial plaques and musty air of neglect. Erected on the site of the old slave market, its crucifix is made from the tree under which David Livingstone's heart was buried in Zambia. Livingstone's reputation is somewhat overstated. In nearly 30 years in Africa he only made one convert, and he lapsed.

But Zanzibar is primarily Moslem, and the mosques are

where the real religious action is. They pop up in the narrow lanes like corner shops, their doorsteps crowded with worshippers' shoes. After prayers the men sit outside and talk in an atmosphere reminiscent of a gentleman's club, minus the whisky.

Beyond the town, along the coast road between spice plantations and orchards of tropical fruit, lie the ruins of palaces. Royal households in this part of the world suffered from exponential growth, and one of the Sultan's more pressing

problems was where to put everyone. At Sultan Said's palace at Mtoni, the household was said to number more than 1,000.

Said built Beit el Ras Palace next door to accommodate the overflow: 75 official consorts and 120 children, plus servants. His son Sultan Barghash built yet another to house surplus concubines, said to number more than 100. Each had her own bath-house in which to entertain her master.

Back in Zanzibar town I retired for a sundowner to the

Africa House Hotel, the former British club adorned with enameled hunting trophies, sepia photographs and a pair of canon in the entrance hall.

The British always had the best real estate, and the terrace of the old club enjoys the finest sunsets in East Africa. The lights of the mainland are too far to be visible.

On the darkening ocean, Zanzibar seems cut adrift from Africa, alone with the trade winds, a remnant of a seafaring world, belonging to no one - a traveller's paradise.

HOLIDAYS & TRAVEL

SAFARIS

Tim Best Travel
THE BEST IN SPECIALIZED TRAVEL

Botswana * Kenya * Namibia * Ethiopia * South Africa * Tanzania * Zambia * Zimbabwe

Traditional tourist and lodge safaris. Rating: excellent, full in the sun. Relaxing at the coast.

04 Old Devonport Road, London SW11 2JZ
Tel: 0171 591 0300 Fax: 0171 591 0301

TAILORMADE SAFARIS

ZIMBABWE BOTSWANA NAMIBIA ZAMBIA KENYA TANZANIA SOUTH AFRICA

London based safaris. Wildlife, scenery, history and culture with the very best guides. Specialise in small group safaris. Call to create your ideal safari.

Tel: (01604) 28979 Fax: 31628

AFRICA EXPLORER

See much more of ZIMBABWE Botswana or Zambia with 'TIME FOR AFRICA' Luxury Wildlife Air Safaris

Flying saves hours of precious time! Let us tailor-make your exclusive safari by vehicle, foot, horse or boat with expert local guides. Scheduled holiday lodges. ATOL 4314

Tel: 0141 879 8793 Fax: 0795909 or Tel: 0171 240 7585

CAYMAN ISLANDS

CAYMAN ISLANDS

Where else but in this peaceful British Crown Colony can you enjoy world class diving, golf, swimming and watersports? As well as the opportunity to converse with the castles, swam with the turtles or just take the day away.

WARNED BY MORE THAN THE SUN

01771-491 7771

TAHITI

LUXURY TAHITI

OUR ONLY TRAVEL SPECIALIST

Worldwide brochures 01244 897 888

ADVA 1013 ATOL 380

SPAIN

La Manga Club

S.E. Spain

* Villas with pools * Golf/Tennis/Watersports

April/May Specials call

01444 401234

SCOTLAND

CROFTS & CASTLES

Traditional & historic holiday properties throughout Scotland for parties of 2 to 22. Fishing, shooting, golf & catering. Colour brochure

Tel: +44 1835 87 07 44 Fax: +44 1835 87 07 11

ALGARVE

Affordable coastal/country villas at direct rates inc Vale do Lobo, Quinta, Dunas. Also golf & health club breaks.

Owners Syndicate 0181 767 7626

ZANZIBAR

ZANZIBAR & PEMBA

Exotic island holidays from £285 for 7 days (excluding flights) to see Stone Town & East Coast. Also combine with a safari.

Gane & Marshall 0181 441 9592 (ATOL 3145)

AFRICA

TANZANIA

Witness the song of exotic birds, walk on the shores of Kilimanjaro, visit the home of Serengeti, and the spirit of Zanzibar and live on the white sandy beaches of the Indian Ocean.

Phone 0181 851 0300 now and help us plan your tailor made holiday.

CORDIAL TOURS AND TRAVEL SERVICES

The Travel Specialist for the very best holiday experiences

FRANCE

The Best of France

Tailor-made holidays to the best hotels inc. Châteaux hotels, Ferry or fly-drive

• Wine Specials • Health & Relaxation holidays • Short Breaks & Touring

Unicorn Holidays 01582 83 4400

ATOL 301 REVIEWS LTD

CARIBBEAN

BRITISH VIRGIN ISLANDS Diving, sailing and island-cruise holidays of the Bitter End Yacht Club. Perfect for beginners & experts of all ages. Owners Syndicate 0161 767 7626

HIMALAYAN KINGDOMS EXPEDITIONS

THE CLIMB OF YOUR LIFE!

Join Britain's leading expedition organiser for a mountaineering holiday and the experience of a life-time.

Our exciting 28 page colour brochure describes over 20 climbs around the world from trekking peaks in the Himalaya and Andes, to Mt Blanc and the Seven Continental Summits.

The Civil Aviation Authority long ago proposed to end it with a fund which would cover passengers flying from Britain, but British Airways did not like it and the government did not pursue it.

Now the CAA proposes that passengers buying seats at "unpublished" prices through consolidators - agents once known generically as bucket shops - should be protected.

Consolidators already need Air Tour Organisers Licences (ATOLs). As a condition of those licences they must put up bonds to reimburse customers if they - the agents - cease trading. But some have been refusing to accept responsibility when airlines go down.

The CAA argues that when customers see the Atol symbol, they automatically assume their money is safe. They are being misled, it fears.

Objectors to its proposal say

Can Brussels aid air passengers?

New moves are afoot to ensure that scheduled airline passengers get their money back when airlines go bust. The European Commission is considering a scheme which would cover travellers throughout the community.

Britain, meanwhile, may jump the gun - but only to cover passengers buying cut-price tickets.

Under British and, now, European law, package tour operators are obliged to protect customers' payments by arranging for stranded passengers if a rival goes under. But while they may get seats at special, low rates, that still means the victims have to fork out twice.

This glaring anomaly has stood out even more obviously as deregulation of Europe's air routes blurs the distinction between scheduled and charter flights.

The Civil Aviation Authority long ago proposed to end it with a fund which would cover passengers flying from Britain, but British Airways did not like it and the government did not pursue it.

Now the CAA proposes that passengers buying seats at "unpublished" prices through consolidators - agents once known generically as bucket shops - should be protected.

Consolidators already need Air Tour Organisers Licences (ATOLs). As a condition of those licences they must put up bonds to reimburse customers if they - the agents - cease trading. But some have been refusing to accept responsibility when airlines go down.

The CAA argues that when customers see the Atol symbol, they automatically assume their money is safe. They are being misled, it fears.

Objectors to its proposal say

it would create an even dafter anomaly, with discount travellers protected and full price payers left to twist in the wind.

The sensible solution would be for Brussels to hack away the jungle and insist that everyone is treated the same way.

Memories of Jean Cocteau, polymath of the French *avant-garde*, are flooding back to the Hotel Mont-Blanc in Montblanc, Cocteau's grandson Philippe is helping proprietors Jean-Louis and Jocelyne Sibinet to assemble a collection of Cocteau's lithographs and sketches, to be hung in the library.

The Mont-Blanc is enjoying its first year of renaissance after a root and branch refurbishment. In the 1950s, the original art deco hotel was so popular with the Paris arts world that it became known as the 21st *arondissement*, after St Germain-des-Prés.

It was there that Georges Brassens, its then owner, described by one writer as *un jeune papillon de nuit*, had become transfixed by Cocteau and his contemporaries.

Roger Vadim first went there on a photo shoot with Lesley Caron and later used room 105 as part of the backdrop for *Les Liaisons Dangereuses* starring the young Brigitte Bardot.

Jeanne Moreau occupied room 19 in *La Marquise de Merteuil*. Aiy Khan and Rita Hayworth stayed there. Cocteau painted a fresco in the restaurant.

In recent years the hotel had become run down. The Sibinets, a local couple who started by renovating the *Hotel Coin de Feu*, bought the Mont-Blanc just over two years ago and applied their imaginative eye for detail, introducing plenty of wood panelling and antique furniture.

In the reception lounge, where a lovely *tarte aux framboises* awaits hungry skiers or walkers, a line from Cocteau's *Les Enfants Terribles* is carved



on a beam: "Style is a very simple way of saying something complicated."

On the trail of Jane Austen

Oscars equal tourists. When London's Docklands were disgorged as Vietnam for Stanley Kubrick's *Full Metal Jacket*, it seemed unlikely that any part of Britain would remain untouched by screen associations. The recent triumph of *Braveheart* in Hollywood appears to have taken the Scottish Tourist Board unawares.

It has not got around yet to producing a trail map showing locations where the film was shot and places associated with its hero, William Wallace. But Hampshire County Council anticipated the success of *Sense and Sensibility* with a booklet entitled - like it or loathe it - *Jane Austen Country*. Until May 6, the excellent family home at Chawton, near Alton, where she revised the manuscript, will display costumes from the film and from the television adaptation of *Pride and Prejudice*.

Not to be outdone is Fishguard, south Wales. Its bay saw the climax of John Rus-

ton's 1956 version of *Moby Dick*. The town will celebrate the film's 40th anniversary and the centenary of cinema with an exhibition, comprised mainly of photographs of its making.

The whale will loom large in its absence, however. Several were made of tubular steel and rubber skin, and all are thought to have been lost at sea.

A sharp jab in the wallet

A monodose means two injections and, while some general practitioners still provide it free, it can cost as much as £97. Confused? You will be if you need vaccination against Hepatitis A. Travellers can either go for the old gamma globulin protection, which gives two to three months' cover, or choose Havrix, made by SmithKline Beecham, which lasts 10 years.

Problem is, there are two kinds of Havrix - the original triple dose, which has been superseded by the so-called monodose (one immediately, with a booster after 6-12 months). Although the manufacturers say they can still supply it on request, the last stocks of the triple are about to run out in Britain.

In many countries, however, the newer dose is still not available. These are believed to include Australia and much of Africa. The company advises that people making long trips to such destinations and who are there when they need the booster, should have the third of the triple dose. It will not last the full 10 years, but it will increase resistance.

As for price, some GPs charge a nominal amount. London's Berkeley Travel Clinic charges £90 for the monodose course (£10 for gamma globulin) and British Airways fee is £97. If you are contemplating going to a local doctor, get in quickly. Some medical experts believe it is only a matter of time before Havrix is no longer available on the National Health Service.

Cordo

W

celebration plastic brick

سكان الامل

TRAVEL

Cordoba: once the greatest city in Europe

Adam Hopkins tries to imagine the vanished majesty of the Caliphs who ruled 1,000 years ago

We took a room on the high hill to the north of Cordoba, looking down into the valley of the Guadalquivir, scruffy at this point with industry and a cliff-fall of apartment blocks to mark the city's edge.

Beyond, the hills rose once again in a green sweep, leading the eye into the mountains. The land between the city and the high sierra is cattle and cereal country, terrain of great landowners and Gipsies in jalousies.

"On a clear day you can see the Sierra Nevada," said Antonio Matas, our host, "all the way across into Granada."

At night, as we discovered, villages shone on the wide hills opposite like luminous fish in a dark sea.

His hotel, so Matas told us, was once a private house, about 100 years old. Having converted it, he named it al-Mihrab - the prayer niche of a mosque - in honour of Arab antecedents in these parts.

For Cordoba, of course, the former Roman capital of Baetica, had fallen into Moorish hands in AD711 and gone on to become, within two centuries, the greatest city in all Europe, centre of learning and the arts, science and up-to-date agricultural technique.

By the 10th century, Cordoba had its very own caliph, political rival to the big boss in Baghdad, and he ruled, except for Christian pockets in the north, the whole of modern Spain and Portugal.

Morning found us among the ruins of the caliph's palace, a few kilometres down river from Cordoba. The caliph's palace-city stood at the point where the descending sierra met - and meets - the flatlands of the valley, providing from its own descending terraces another triumphant set of views.

By name Madinat al-Zahra (Medina Azahara in Spanish), it was a huge affair, with military headquarters, slaves, harem and workshops, full of reception rooms with horseshoe arches and a vast garden, symbolising heaven. Embassies came from the Christian emperor in Byzantium; Madinat al-Zahra sent out its own missions as far as the Volga.

Christian kings arrived from the north, as well. One of them - Sancho the Fat of Leon - came in search of a cure for his obesity. He was treated by the multilingual Jewish doctor, and patron of poets, Hasdai ibn Shaprut, who acted as court translator.



Cordoba: once you have penetrated the ill-favoured outer shell, it is now so sweet and quietly pretty that it is hard to think of its great past

I mention this partly because Madinat al-Zahra - sacked, lost, found again, partly excavated and partly reconstructed - is a fine place for an outing. But it is also the case that Cordoba itself, once you have penetrated the ill-favoured outer shell, is now so sweet and quietly pretty, with its white lanes and geranium-filled patios, complete with fountains, ferns and gorgeous tilework, that it is hard even to imagine the vanished majesty of the caliphate 1,000 years ago.

But there is, as all good tourists know, one building in Cordoba which gives a clue. This is the Great Mosque or Mezquita; and here, maintaining tourist discipline, we eventually, circuitously, arrived. The Great Mosque stands near the river bank where the Roman road comes into town across the many-arched Roman bridge. The mosque is low, roofed like a series of warehouses.

But within, of course - you must

at least have seen the photographs - it is an endless, centre-less series of slender columns, with red and white striped horseshoe arches rising over them, unbelievably flash, with a further set of arches rising over them again, for all the world like jockeys.

Shadowy, dashing, sombre, apt for prayer and meditation, and with some gorgeous mosaics - courtesy of the emperor in Byzantium - it is arguably the greatest building of early medieval Europe, preceding the Alhambra, not so far off geographically, by quite 400 years.

The mosque has probably survived because the Christians eventually built a cathedral in the middle of it, disrupting every internal vista. To get to it you have to walk through the poplar groves of the Islamic columns and under the red and white striped arches.

Technically, the whole building goes by the name of the Cathedral of Cordoba so that when you pay

your entrance fee, 750 pesetas, you are paying it to Mother Church. You can get in free, however, if you are going to morning mass, something I have done occasionally over the years, as much from curiosity as economy. Last time I went, there was a congregation of six facing a dozen priests.

But even if the Church's following is in decline, one powerful idea still lurks in Cordoba. This is the persistent belief that here, at least, in the days of Moorish rule, Islam, the Jewish faith and Christianity actually lived together in considerable harmony. In Spanish the word for this is *convivencia*.

We have heard that a museum dealing with *convivencia*, and featuring such oddities as talking statues, has been established in the magnificent tower of La Calahorra, where the Roman bridge touches ground on the far side of the river; and here, with mosque-like dot-

is, he said, unprompted. "What a pointer for the future of the world." He was going straight home to his studio, he added, to redesign plans for buildings all around the globe.

It came as a real surprise to learn that the museum, right in the heart of Spanish-Moorish Cordoba, was the brain-child of a French philosopher - or so we deduced him to be from books on sale at the museum door. He happened to be in Cordoba; and yes, he would be glad to see us.

Roger Garaudy's house, for that was his name, was in the Juderia, the Old Jewry - the most characteristic quarter of ancient Cordoba, epicentre of patios glimpsed through half-closed doorways, of round little cobblestones and stark white walls with iron grilles on windows.

There is a fragile synagogue built in Moorish style, a statue of Malmondies companionably seated, even a bullfighting museum, heaven help us, not to mention the excellent Bar Salinas, the best spot

in Cordoba for tapas, just by the Almodovar gate.

And so we came at last to Garaudy's house, entered by a typically Cordoban patio, to meet a vigorous old man, 82 years of age, with an extraordinary history. Marxist and Christian militant in France in the pre-war years, he had been caught by the Germans as a resistance activist and imprisoned, oddly enough, in the Sahara.

Here he led a rebellion of prisoners and was sentenced to death. But the firing squad, composed of Moslem troops, refused as a point of honour to shoot an unarmed man. This was his first contact with Islam.

It was his deep belief in the possibilities of *convivencia*, experienced, we supposed, personally, that had led him to Cordoba to establish the museum in the tower of La Calahorra - helped by his friend, the communist mayor of the city at the time, Julio Anguita. He now leads Spain's national hard-left party, the Izquierda Unida or United Left.

Celebration of plastic bricks

At the controls of your Whirlybird model helicopter, 20ft in the air, you cannot fall to gulp at the effrontery behind Britain's latest tourist attraction.

Not content with having created one of the world's best known consumer products, the Danish toy company Lego wants to boost its image, and global sales, still more with a chain of international theme parks.

Just in case anyone misses the link, Lego has thoughtfully provided four shops dotted around its new Legoland park in Windsor, west of London, crammed with the ubiquitous bricks and miniature figures.

It is certainly a fine marketing wheeze - but does it make for a day's entertainment?

The answer will depend on just how much of a kick you get from Lego products, sold in 120 countries and which provide revenues for the family-owned company estimated at £1bn a year.

That, in turn, is related to your age. The Windsor park - the first Legoland outside the original theme park in the company's home town in Billund, central Denmark, and which is due to be followed by up to 15 more over the next 50 years - contains few of the spectacular rides that other, more conventional theme parks have to tempt teenagers and people in their 20s.

The accent at Legoland is on gentle entertainment for children under 12. Many of the park's attractions have a clear, though fairly subtle, reference to a Lego product. The park's central feature is Miniland, a representation of towns and villages in different parts of Europe and made from 25m Lego bricks.

The subliminal message from this impressive piece of work is that you can create your own Miniland in your bedroom - so long as you get your mum or dad to spend the necessary fortune on the plastic parts.

Widening the appeal of its attraction, Lego has provided in Miniland a number of realistic railway networks, including a model Eurostar.

Pirate Falls, another part of Legoland which takes you on a boat ride culminating in a

sudden, extremely wet descent, involves a journey past dozens of life-size pirates and animals. They look familiar because they are larger versions of the Lego models available from shops. The Whirlybird helicopters in another ride have the same simple, functional style as the pieces from the company's kits.

Perhaps the most powerful pieces of symbolism are remarkably lifelike models of birds, ants and butterflies - all created from Lego bricks - which festoon the "Enchanted Forest" part of the park.

Even the Spinning Spider, a fairly basic ride in which people sit inside large, teacup-shaped vessels and spin around, is "Legolised" by the addition of a huge, malevolent-looking spider made from plastic bricks.

It is while sitting on a ride like this that the enormity hits home of what Lego thinks it can achieve.

Try to imagine any other theme park built around a single consumer product, say a Sony Walkman, a Rolex watch or a Barbie doll.

Lego reckons it can persuade 1.4m people a year into its Windsor park - each paying up to £15 and coming from all over Europe - for what is an unstated celebration of its basic products. That says something not only about the variety of uses to which Lego bricks can be put, but the depth of their appeal to adults as well as children.

As though underlining this link between the infant and grown-up worlds, the most surreal image is a giant montage depicting the heads of three boys - made up, naturally, of Lego bricks.

This is remarkably similar in concept to a striking picture at the company's Billund headquarters, also made from bricks, of the three men, all from the Kirk Christiansen family, who have run Lego since its inception in 1932.

Legoland cost £85m to build, and is a mixture of solid Scandinavian planning and design that swings between kitsch and fantasy. Will it be a success? The verdict of my nine-year-old son was clear enough. He wanted to go back. We did not, however, buy any bricks.

Peter Marsh

HOLIDAYS & TRAVEL

HOTELS

During the golden age of Balinese architecture, the Raja Kings vied for the "Dwijendra Prize" for the most palatial splendour.

most majestic title is guest. The Nusa Dua Beach Hotel is truly worthy of the royal "Dwijendra Prize".

If Bali's royal "Dwijendra Prize" was awarded today, the honour would be ours.

Today, the Nusa Dua Beach Hotel has undergone a regal renaissance, combining a rich and vibrant culture with the latest world-class resort facilities to create Bali's grandest palace of luxury, where the

PO Box 1028 Denpasar, Bali, Indonesia (83-351) 771210 Fax: (83-351) 771229. Telex: 52206 NDBH IA

AUSTRALIA

Ultimate AUSTRALIA

FIVE STAR AUSTRALIA

Lizard, Bedarra, Orpheus and Hayman Islands

tel: 01284 762255 fax: 01284 769011

FOR DETAILS AND A BROCHURE

TRAVEL PORTFOLIO

78 CHANCERY STREET BURY ST EDMUNDS IP33 9RL, SUFFOLK, ENGLAND

FLIGHTS

Check in frequent flyer

From	To	Price
Bahrain	£1030	£1650
Bangkok	£1430	£2850
Beijing	£1630	£3050
Hong Kong	£1480	£2480
Jakarta	£1480	£2570
Los Angeles	£1580	£2900
London	£700	£1100
Singapore	£1911	£4242
Sydney	£1680	£3499
Tokyo	£1790	£3260

0171 493 0021

LONDON IN STYLE

At This Superb Town House Hotel

CORPORATE ROOM RATES FROM JUST £63 FULLY INCLUSIVE WITH COMPLIMENTARY CHAMPAGNE WELCOME OFFER

- * Overlooking Hyde Park
- * Private Car Park
- * 55 Personalised Rooms
- * Restaurant & Bar
- * Deluxe Rooms & Suites
- * 24 Hour Room Service

LONDON ELIZABETH HOTEL
Lancaster Terrace, Hyde Park, London W2 3PF
Tel: 0171-402 6641 Fax: 0171-224 8980

Escorted Hotel Reservations

Up to 50% off 4 & 5 STAR HOTELS

£45.00

pp/pp sharing 2 twin. Also WORLDWIDE

Tel: 0171-955 1355 Fax: 0171 955 9863

CRUISING

NOT JUST CRUISES!

Apr. May, Carib. cruise from Barbados 1 wk. from £799+tax, 2wks £1199 + tax. 19 June Genoa-Caribbean super-club ship and itinerary. 10 days from £799 + tax 25 July, sail in style from Cannes to Athens on a 4 masthead Clipper, great fun, 9 superb ms. from £1299 + tax/acc./flt.

May, All Inc. Body Holiday to St. Lucia. Superb hotel + beach Sp. (restaurant and golf included). 1 wk from £947.

For these and so many more

Highdays Travel
0181 668 2043
10-8pm, w/e/e/ds and w/days (not Thurs)

VACATION VILLAS AND ESTATES

Tours to Florida and Information at Seminar Held in London May 1-7

Call 0171-493-1200

Tel: USA 407-757-9112

ITALY

Best private house rentals, pools/staff.

City apartments. Rosie Sutherland Ltd.

Tel 0181 749 9118 Fax: 0181 743 5394

Scotland

From £29

01582 4455 66

GREECE

Overseas Express - low cost flights Germany, E. Europe, Africa, MidEast, Indian Sub, FarEast, South America.

0181 957 5919 Fax: 0181 747 5295 & 0181 882 9167 INT/ATOL 3682

CORFU & PAXOS

The very best villa holidays on the most unspoilt parts of Corfu and Paxos

GOOD AVAILABILITY 24 MAY DEPARTURE. JUNE AND HIGH SEASON.

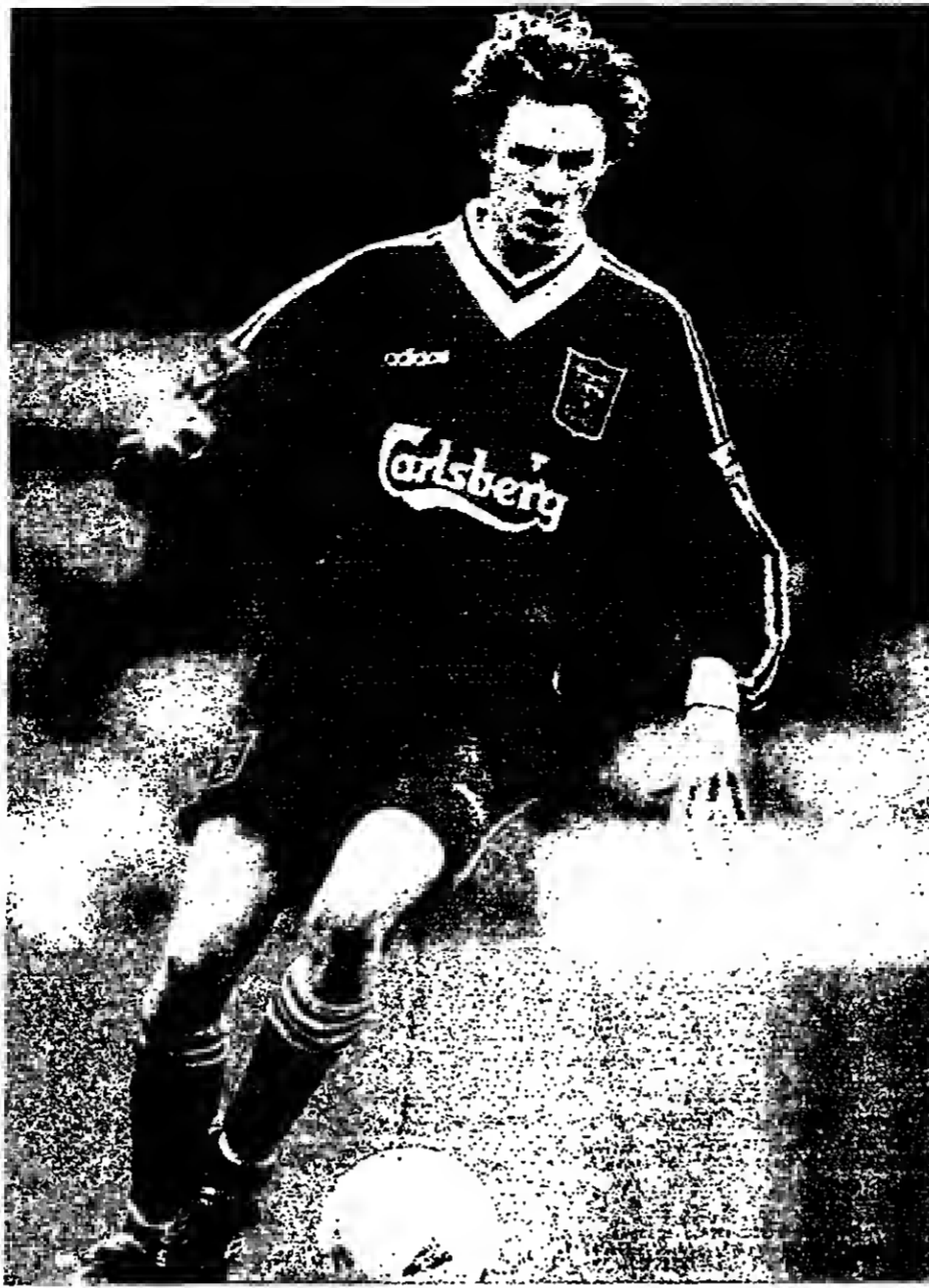
Last chance to get early booking discounts. Call for our Corfu Villas brochure

0171-589 0132 0181-581 0851

SPORT / OUTDOORS



Faidi George: wasteful in his efforts to round the Panathinaikos defence



Steve Macmanaman: buoyant and positive

Baseball / Michael Carlson
The Cuban connection

On a way to follow the course of the stormy relations between Cuba and the US through baseball. On the sporting scene, no two such diverse cultures could be closer.

Four days after the Cuban Air Force shot down two Cessnas belonging to Brothers to the Rescue, the Miami-based Cuban exile organisation, Livan Hernandez pitched for Florida Marlins in an exhibition against the University of Miami. The aircraft were allegedly searching for people defecting from Cuba to the US. Last summer, Hernandez defected from Cuba's national baseball team.

Only 21, 6ft 2in and weighing 220lb, Hernandez has the wide bottom and sturdy thighs of a power pitcher. In his official debut against the World Series champion Braves, he showed the poise of a veteran, throwing three innings and allowing only one hit.

"I'm just here to do a job," he said afterward. "I knew the Braves from TV, but I didn't approach them any differently from the University of Miami."

Five days later, he faced Toronto Blue Jays, in a game moved from the Marlins' spring training site in sleepy Melbourne to their normal home park in Miami. Hernandez drew 17,000 fans to Joe Robbie Stadium. He pitched four no-hit innings, and even hit a double himself.

CBS was there to give Hernandez his first national TV exposure. To them the story was the choice between America's freedom and Castro's slavery. In Melbourne, Hernandez had said as much to me. "I was looking for freedom, a good living for my family, and I'd reached my limit in amateur baseball."

But for Hernandez, the US is just a place to play baseball. He established his residency in the Dominican Republic, had he sought asylum in the US, he would have been forced into baseball's amateur draft, severely limiting his bargaining power.

The defections of Hernandez, and three other Cubans, were engineered by agent Joe Cubes.

The Marlins wanted Hernandez because they needed to make an impact with Miami's huge Cuban community. "Playing in front of the Cuban people was something you just couldn't put a price tag on," said Cubes, although he managed to tag his client with a four-year contract worth at least \$4.5m, including a signing bonus of \$2.5m.

In Cuba, the love of baseball runs deep. American sailors brought the game to the island in 1866. When America's first professional league started play in 1871, a Cuban was playing for Troy (NY) Haymakers.

The Marlins' Spanish radio announcers are both Cuban. Fero Ramirez broadcast Havana Sugar Kings' win in the 1959 Little World Series. "The expansion of baseball to Montreal - that franchise should have been in Havana."

"It was Castro's fault," adds his partner, Manolo Alvarez. Legend says the Cuban leader was scouted by Washington Senators. Alvarez scoffs: "Fidel pitched for the law faculty at the University of Havana. He couldn't make the varsity. He was a wild and crazy pitcher then. He still is!"

The Cuban love for baseball has not translated into support for the Marlins. But Tony Perez, a Cuban-born star now director of international relations for the team, sees that changing.

"They are very excited. They call the radio shows and ask about Livan." It is a lot to ask a 21-year-old to rescue a franchise. He can handle the pressure. He's used to big international games; he's got a guaranteed contract and lots of support, says Perez.

"In my day, we were cannon fodder. We started in small towns where no one ever spoke Spanish. If we made it, fine. If we didn't, so what?"

Cubes felt "the best thing was watching Livan confronted with the American way". But when I ask how he relaxes, Livan gets stuck. He says he plays dominoes with his Latino teammates. Then he blushes. "I watch Mexican soap operas on TV."

CBS hoped Livan might have a problem with the pre-game ritual of the US anthem. Baseball star Mahmoud Abdul-Rauf had created a furor by not standing in attention. Hernandez handled it deftly.

"I am playing for an American team, so of course I respect their anthem. I will be Cuban till I die, but I'm only a sportsman. Politics and sports are different things. I don't want to mix them."

Everyone else is doing. Hernandez will be a drawing card and a symbol, like it or not. When Cuba's national team plays in Atlanta's Olympics, a flock of scouts and agents will hover, hoping to play the \$1m freedom card.

And Miami's Cubans, with their own star to follow, may start to appreciate the quality franchise in their adopted backyard.

Soccer / Peter Aspden
Desperately seeking the art in their feet

As the European championships beckon, English football finds itself in an all-too-familiar dilemma: should it believe in the efficacy of its traditional virtues - pace, power, strength - to match superior technique, or should it try to play the "modern" way, spicing its muscular approach to the game with an exotic blend of uncomfortable formations and tactics?

In recent months, the national mood has lurched from unwarranted gloom to a frothy optimism that is equally unrealistic - a classic symptom of the inferiority complex that has clouded the English game.

First, the low point: when Holland produced that classic display of tactical sophistication to dismantle an over-ripe and uninspiring Irish side to clinch qualification for Euro 96, the doom-mongers in England were swift to make their presence felt. Here was the quick, clever football played by intelligent, mobile players which international success demanded.

There had been pitifully little sign of Terry Venables' team even getting close to this level of maturity. His side had been characterised by the selfless - and fruitless - running of Alan Shearer into the "channels" down the wings, a primitive, predictable move on which international

defenders thrive. Where was the comfort on the ball, cried the critics. But it took the old Dutch maestro Ruud Gullit, currently proving almost as distinguished in the commentary box as he has been on the field, to give his compatriots a warning. He thought some of the Dutch play had been sloppy and complacent, stressing by implication the weakness of their Irish opponents.

I wonder if any listened. For there were signs in the Champions League semi-final first leg, between Holland's champions Ajax and the Athenian side Panathinaikos, that Dutch football is rather too ready to believe in its own - and other people's - hype. In short, Ajax made a terrible hash of things. Even allowing for the defensive stubbornness of the Greek side,

there was none of the improvisation and ability to surprise required to break down obstinate defences at the highest level. Ajax seemed hamstrung by the very qualities which had had the commentators drooling just a few months earlier. Their endless, square passing was a picture of impotence rather than elegance; the quality of their crossing was non-league standard. Finally, they gave away the inevitable goal on the break. They face an intimidating obstacle indeed in the fanatical atmosphere of the away leg on Wednesday.

By coincidence, on the very night that Ajax's trendy young stars fumbled in Amsterdam, English football was rediscovering its self-confidence. The Premiership match between

Liverpool and Newcastle, with its irresistible flow and thunderous climax, was instantly hailed as one of the greatest ever played on these shores. Here was open, fluent, brave football played by young men who were far from embarrassed by possession of the ball - indeed they all wanted it, all the time. There were classic strikes on goal, moments of high skill at fast pace, relentless attacking and a see-sawing sequence of goals which left crowd and managers exhausted. Venables had good cause to smile. To take just one example, the contrast between England hopeful Steve Macmanaman, buoyant, positive, dipping his shoulder once, twice, three times on every thrilling run, and Ajax's Faidi George, cramped, inhibited and wasteful in his efforts to round the

Panathinaikos defence, could not have been greater. But what lessons could Venables have taken home with him? He is surely too experienced a manager to think that the uninhibited style which both Liverpool and Newcastle favour these days will be emulated in Euro 96. Important tournaments are traditionally cautious, nervous affairs. Mistakes count heavily.

But in the form of Macmanaman, Robbie Fowler, Les Ferdinand and even the tireless Peter Beardsley, he surely saw glimpses of the confidence which is the cornerstone of team success. These players have enough art in their feet to disturb any defence.

It was sheer confidence, almost above all else, which characterised Paul Gascoigne's remarkable early performances in an England shirt. All talk of superior "continental" technique must be banished from the dressing room. The same message comes from Gullit himself, who, in an interview in next month's World Soccer, criticises the English tendency to talk its product down. Venables now has a vital role to play as team psychologist as well as tactician. He must convince his players that English football can match any in the world - even if he cannot quite bring himself to believe it.

Road Test / Stuart Marshall
Starlet Express

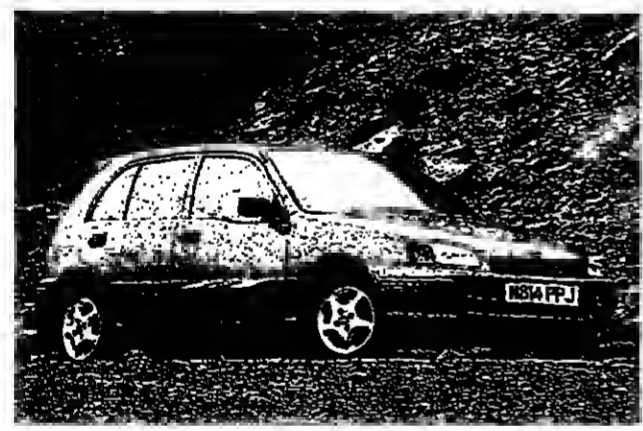
New small cars are arriving so thick and fast that it is difficult to keep track of them. These so-called superminis account for nearly 30 per cent of all European sales - and half are bought or used by women.

When men ruled the motor-club roost, performance had a far greater influence than it does today. Buyers now take it for granted that any car, how ever small, will be able to keep up with the motorway pack.

They are more interested in ease of driving and parking, safety and security, economy and refinement. Also, of course, they want value for money, with entry models expected to cost around \$2,000, key in hand.

It has to be said that the new-generation superminis are more remarkable for their similarities than their differences. Probably the most sensible way to choose one would be to short-list those that look best to you, compare prices, equipment levels and warranty terms - and then squeeze the best trade-in price for your old car. It is a racing certainty that whichever one you choose will serve you well.

The latest Toyota Starlet, which I have just sampled in Spain and which goes on sale in Britain on Monday week, should be one of the most competitive in its class. List prices start at \$7,599, making the entry model three-door Sportif



The new generation power-steered Toyota Starlet Sportif five-door

almost \$1,000 cheaper than its old Starlet equivalent. There are three-door and five-door bodies and two trim/equipment levels. Sportif and CD (for which, in older times, read standard and de luxe). The Sportif lacks the CD's sun roof, electric front windows, twin side-impact beams, tachometer and central locking, and none of the three-door's height-adjustable front seats. But power-assisted steering, a \$330 extra on the entry model, is otherwise standard.

Every Starlet has a driver's airbag, 60/40 split rear seat, remote fuel flap and tailgate release and, unusually, electric headlamp levelling. For the time being, there is just one engine: a notably smooth-running 74-horsepower, 16-valve, 1.3-litre from the larger Corolla range. It has been tuned to produce plenty of low-speed torque (pulling power), which came in handy on hills and in Madrid's fast moving rush-hour traffic. Care was needed to stay within the 75mph (120kph) limit, even on uphill stretches of motorway. Fuel consumption should be

around 43mpg (6.7 l/100km) in average use. The standard five-speed gearbox is as user-friendly as you would expect Japanese manual transmission to be; a three-speed automatic is a \$700 optional extra. There is nothing remotely sporty about the Starlet. This will worry typical buyers - retired couples as well as younger women - not one bit. They are more likely to be impressed by the Starlet's reputation, gained over many years, for utter reliability. It has been Toyota's most trouble-free car.

Around the straight-ahead position, the steering feels curiously dead. But the handling is safely predictable and the Starlet rides well on all kinds of roads, although tall drivers (and front passengers) would like the seats to push back further. Multi-coloured flashes on the body side protectors do nothing for the looks of what, otherwise, is a smart, well-proportioned and practical small car. Prices of power-steered Starlets range from \$3,519 (Sportif five-door) to \$10,699 (CD, five-door automatic).

Gardening / Robin Lane Fox
Flight of fancy

Time flies and we all wish that it did not. Nine years ago, the FT marked the beginning of my small grand plan for a series of avenues in the garden by printing an appropriate cartoon. The plan was to imitate the old French tradition of five avenues, radiating outwards like the points of a goose's webbed foot, what used to be known as a *potée d'oie*. We printed a picture of geese heading into the distance, each holding bits of designer string in its beak.

Nine years later, where have they gone? Results are not unimpressive and deserve more than a congratulatory quack. It is certainly possible to end up with a notable *potée d'oie* after seven years, but you are more likely to do so if you avoid the mistakes I have made along the way.

One is visual, one is horticultural and one is best described as sod's law. The visual mistake is to choose too many different varieties of tree. There is little advice on the matter because the designers of these old schemes were more interested in geometry than plantsmanship. I opted for a central avenue of hornbeam, two adjoining avenues of flowering pear and two outer avenues of the finely berried Sorbus Joseph Rock. I was most confident about the Sorbus but it has turned out to be the main impediment.

Plants of these formal avenues should choose two types of tree at most: one for the central avenue, one for the other four. Otherwise, the contrasts of leaf, shape and size are too distracting. No sooner had I planned 50 expensive Sorbus than I heard an apocalyptic lecture at the RHS. The speaker said Sorbus Joseph Rock was a big health risk and would attract fireblight into every garden in south England by the early 1990s, spreading it to all forms of fruit tree. These forms, I concluded, would embrace my flowering pears and so I returned home

and removed all but two of the Sorbus. Anyway, their leaves were too distracting in a scheme of two other dominating types of tree. Since then, the surviving Sorbus have grown splendidly and show no trace of fireblight. I am, however, glad that I replaced them with flowering pears so that four of the five avenues now present a uniform type of leaf and branch. I urge future imitators to exercise similar restraint but I would be even more glad about my results if the nurseryman had provided me with the same type of pear in their various consignments.

Three rogue trees have intruded, ultimately from Belgium, none of which resembles its neighbours. Always makes sure that your trees derive from a single source and are guaranteed to be uniform. Pears now predominate and, although I picked their variety from a book, I recommend it unreservedly for the purpose. I chose *Pyrus Chanticleer*, which is said to have glossy green leaves, snow-white flowers in spring, an upright habit, a long season and excellent autumn colour.

I was enjoying my 70 Chanticleers in their third season when a distinguished fellow gardening correspondent told me at the president's lunch at Chelsea Flower Show that they were a beastly sort of tree with a stiff, ugly shape. I have been waiting for the ugliness to develop but I think that he was generalising and forgetting the use to which I have put them. Their upright shape, like a small poplar, is ideal for an avenue where they are spaced about 3 yards apart and clipped once each spring. They respond well to clipping and after year five, their top growth thickens and loses the rather

coarse suckering appearance which might otherwise put you off. They then improve and do, indeed, give you 10 months of interest for very little effort. The showers of white flower have appeared in late January in mild winters but have only just opened in this late spring. The leaves have a shiny coating which reflects the sunlight most prettily as the summer advances. As a result, the avenues are never dull and tired and in November they turn the colour of an old-fashioned academic colleague long enhanced by decades of port. *Pyrus Chanticleer* is now more than 20ft high and a resounding suc-



Pyrus Chanticleer; upright and ideal for an avenue

Garden Picture Library

cess in avenues which are about 60 yards long. The central hornbeams are also successful but they have one more serious disadvantage. I bought the best-known Fastigiate form, expecting that it would grow vertically and not try to bush sideways with an overpowering girth. Actually, this Fastigiate hornbeam is only half-tree to its title. Mature hornbeams make wide-spreading canopies like a broad lollipop and the so-called upright form can be similar.

Every May, I have to clip mine quite hard to stop them losing the outline of an upright

exclamation mark. When clipped, they are satisfactory, although their leaves are a very strong lime green when they first open and are slower to appear than the more muted foliage of the pear.

Since I planted them, a truly upright hornbeam has crept on to the market called *Carpinus Betulus Columnaris*. I have added one or two specimens to watch their progress and they are certainly thinner and more vertical.

I am thankful, at present, that I did not choose them instead of the common variety because they seem to be slower growing and need to be spaced more closely. On the long view, however, they would be a sensible choice, although stocks are still small and the only two suppliers could not furnish a rush of readers' avenues.

The net result of this experiment is that I have three highly impressive avenues, one of bulging hornbeam and two of glistening pears, and by 1998 I will have two more mature avenues of the same pear which will have replaced the Sorbus.

I can already see that the effect is so bold that it draws the eye away from the acre or so of flower-gardening in the foreground, and sometimes this distraction is a mercy.

Anyone who has a garden which slopes away from the eye and runs off into an expanse of wild, open grass should consider an avenue-pattern, whether or not the five-fold scheme of an expensive goose-foot appeals to them. No doubt, mine will catch fireblight in time for the millennium but meanwhile I have to pronounce it a success.

Maybe geese like to eat pears but my sham goose-pattern does not produce proper fruit. *Pyrus Chanticleer* has many virtues as a clipped avenue but the production of soft, sweet fruit is unfortunately not one of them. To be fair, somebody would have to pick them and as they rise steadily to the sky, harvesting would be a real problem.

What's on in the principal cities

Objectors to its proposal say Les Enfants Terribles is carved... AVAILABLE on the National Health Service.

الاصول



James Morgan

Jobs ain't what they used to be

Reform in the labour market will give rise to powerful losers and some unimpressive winners

The operation of the labour market today rarely disappoints those who do well out of it. The unhappy employment scene in Europe has promoted political stability and ministers often keep their jobs for a decade or more.

They commend those who acquire what they call a "portfolio of jobs", which is fine if your portfolio includes a visiting professorship, part-time consultancies and writing best sellers. If it should comprise packing supermarket bags, driving unlicensed cabs and helping blood-stained car-wreck victims into accident wards, life will seem less attractive.

"Europe offers a framework where one may have less fear of the future." In a study last year for the Centre for Economic Policy Research, a French economist, Gilles Saint-Paul, noted that this employment model is designed to achieve political stability, not equity as its proponents like to believe. The labour market is organised so that up to 90 per cent of the labour force prospers and can expect to be quite well cared for in the event of losing a job.

It might be noted too that the US has few institutions to mediate between the citizen and the central government. No social partners, no unified education system, no national health service. The federal structure permits 50 states to go their own way in areas where other countries have single administrations. The states can act as social laboratories. Since there are few "national" structures, the US is not weighed down by a myriad institu-

tions which have outlived their usefulness. All other successful societies eventually fall prey to the systems which once ensured their success. German consensus provided the driving force for reconstruction, it has now become an end in itself and an obstacle to necessary change.

Britain went through a series of crises this century which gave a false impression of the relative success of its national institutions. The smashing of these institutions in the 1980s occurred under a government which relied more than most on a nationalist credo. Thus national cohesion was more or less sustained even while the structures which once underpinned it were dismantled.

Peter Aspden Life is no exam paper



Imagine that you are a teenager once more, and that you have to face the appalling prospect of a three-hour written examination. It shouldn't be too difficult. I know my sub-conscious is not alone in throwing this delicate torture into my dream world about once a month, and I fret and sweat through the night, unable to sharpen my pencil because my fingers are made of chipolatas and the baguette is playing the piano too loudly to concentrate.

The MP with Anglo-German ties

Leading Eurosceptic Bill Cash explains his view of Europe to Cordelia Becker

William Cash MP is an experienced Eurosceptic, an outspoken opponent of the Maastricht treaty and said to be suspicious of all things German. How would he react to a German journalist entering his home territory - the central lobby at Westminster?



Bill Cash: 'Maastricht is worse than Versailles'

He quickly spotted me and led me energetically towards the crowded House of Commons tea room, where I was to conduct my interview. He immediately started talking.

We found a table and Cash squeezed his 6ft 4in frame behind it, ordering sandwiches and tea. With his grey hair, brown spectacles, gold signet ring on the small finger of his left hand and striped grey suit, he looked every inch a friendly bank manager. Certainly, he seemed very British to me.

He had become so famous that his wife Biddy, who manages his diary, could only get me an appointment for tea. The British custom suited him.

He continued talking and I found it a relief that he clearly did not mind discussing his alleged hatred of Germans with a German journalist. He has been quoted as saying such things as "I do not want a German Europe", and has made speeches against "Germany's bold masterplan" and its "self-interest".

ished. "You must read it, I ask for no more than that," he said gesturing with both hands.

What he was called to the phone. I took the chance to rest my hand, exhausted from taking notes. On his return, he repeated that Germany would be the only country pressing for Maastricht.

Meanwhile, we shared another pot of tea. This time, he poured the milk. Then he talked about fears within Germany - about Turkish immigration, unemployment, pension funds. "The EU is a complete example of contradiction driven by theory," he concluded.

Cash's metamorphosis from an acknowledged pro-European to the leader of the Maastricht rebellion posed a question. Was it to gain popularity, as some had suggested?

It does not matter what you teach: what matters is how you go about it

of beauty, in the hope that it will have a civilising, humane effect; or business: we teach them useful skills so that they will be better able to find a job.

British education, particularly at university level, still finds itself locked in this dilemma. But in truth, it does not matter what you teach: what matters is how you go about it. No subject should be taught in an uncritical vacuum, divorced from its context.

End endomorphic lunacy

Christian Tyler believes marathon hysteria is undermining Britain's moral fibre

Here they come again: sweating, jostling, stumbling, groaning, eyes rolling, chests heaving, flanks shuddering.

fic, the air heavy with the stench of embrocation, the staggering victims interspersed with strangely attired celebrity exhibitionists.



Serious business: runners in the London marathon pass Canary Wharf

Most of the fanatics I have seen on the towpath in recent weeks are plainly endomorphs, which, pollyfied put, means they are "persons of soft round build and high proportion of fat tissue".

occuring naturally in the brain and having pain-relieving properties" (Oxford Encyclopedic English Dictionary).

That is how we produce a graduate who is both informed and critical: the type of person industry screams out for.

سكنا من الاموال

WEEKEND INVESTOR

Last week's preliminary results

Table with columns: Company, Sector, Year, Pre-tax profit, Earnings per share, Dividend per share. Lists companies like AFIC, Alpha Airports, Biffy Group, etc.

Results due next week

Table with columns: Company, Sector, Announcement date, Last year, Dividend per share, This year. Lists companies like AFIC, Alpha Airports, Biffy Group, etc.

Last week's interim results

Table with columns: Company, Sector, Year, Pre-tax profit, Earnings per share, Dividend per share. Lists companies like AFIC, Alpha Airports, Biffy Group, etc.

STERN DIVIDENDS

Table with columns: Company, Sector, Announcement date, Last year, Dividend per share, This year. Lists companies like AFIC, Alpha Airports, Biffy Group, etc.

Gift issues - best value v tax status

Table with columns: Company, Stock, Price, Yield %, Dividend %.

Directors' share transactions in their own companies

Table with columns: Company, Sector, Shares, Value, No of directors.

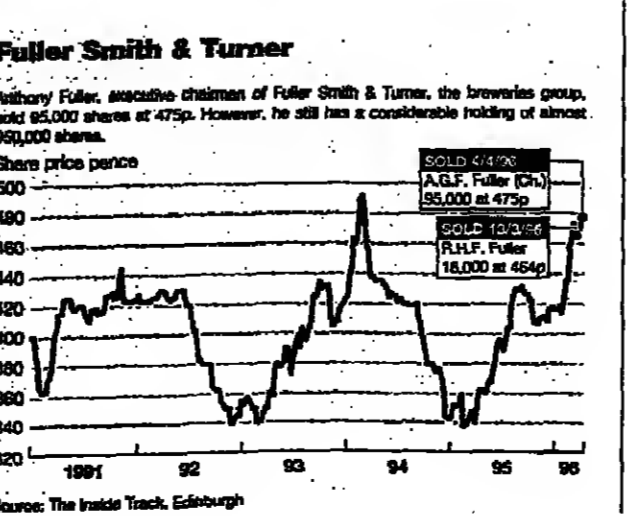
Bids

Table with columns: Company, Bidder, Bid price, Bid type.

The biggest takeover battle under way in the UK moved closer to conclusion this week after Rentokil raised its offer for rival business services group BET to £2.1bn.

Fuller Smith & Turner

Anthony Fuller, associate chairman of Fuller Smith & Turner, the brokerage group, said 85,000 shares of 47p.



Too many heads buried in the sand...?

Clay Harris discovers that an apparent loophole in British law holds the key to why ostrich farmers are having to count their eggs

It takes 42 days for an ostrich egg to hatch. But while investors who bought thousands of birds through the Ostrich Farming Corporation may not have to wait that long to discover the fate of their money, they could find themselves envying the ostrich hen who gets her egg-laying over in 15 straining minutes and then strolls away.

Because individuals were being sold specific birds, OFC was allowed to argue that this was not a collective investment subject to regulation. This interpretation might founder on the way OFC's chick allocation, with buy-back at a guaranteed price, worked. If it could be proved that every chick allocated to an owner was the offspring of his or her own bird, the scheme might just escape the regulatory net.

The DTI's pre-Easter swoop caught OFC's investors by surprise. Many had bought mature breeding hens for £14,000 (\$21,140) or more, enticed by the company's promise of a "guaranteed" annual return exceeding 5.6 per cent over five years.

Several "rescue schemes" have been mooted, including one from as far away as Australia. Farmers are keen to build up their flocks and, the more they can use outside capital, the happier they are.

But whether or not they invested, people who heard the OFC sales pitch agree it was not a "hard sell". In spite of scepticism expressed by the Financial Times, among others, and the Mail on Sunday's exposure of the previous business records of several key OFC personnel, nothing dissuaded thousands of people from forking out millions of pounds for a "guaranteed" 50 per cent-plus annual return.

For the same reason, expect to see offers to buy birds, although probably at "distress" prices. Investors who still believe in the ostrich story and want to hang on should avoid guarantee schemes, even if they do survive, and compare carefully as many competing offers as they can. Most will be based on the farmer taking a share of the hen's hatch. Visiting the farm itself is also a good idea.

International financial news from a European perspective.



If you need to know what's moving Europe's markets, you need AFX NEWS, the real-time English language newswire that gives the latest international financial and corporate news.

FOCUS ON FINANCIAL EUROPE A JOINT-VENTURE OF FINANCIAL TIMES GROUP AND AGENCE FRANCE-PRESSE

Weekend Investor

Wall Street

A stressful wait for the 'firemen'

Lisa Bransten on the sharp differences between analysts

Tim Straus, a vice-president with Jeffrey & Company, a Boston-based investment bank...

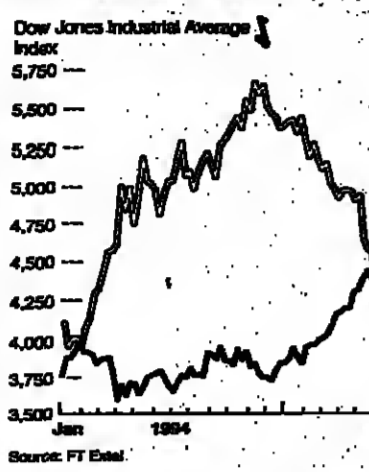
"There is a classical sociological study in which firemen were examined for signs of stress and anxiety..."

The question that has emerged on Wall Street since the Good Friday release of a second set of surprisingly strong employment figures...

The fire that's now anticipated is that a strong economy and inflation are going to derail the bull case for the stock and bond markets...

The risk for shares, says Straus, lies not in a robust economy, but in the potential for such worries to drive up long-term interest rates...

Nervous days on the Dow



Shares in the Dow Jones Industrial Average tumbled 171 points on March 8, but they regained 111 points the next day and managed to set a new record high on April 3.

No factor aiding bonds on Friday was a press report that Alan Greenspan, chairman of the Federal Reserve, believes that fears that the economy is out of control are unfounded...

"We have seen a trough in inflation and wage growth but that does not mean that they are about to skyrocket," she says.

debate are market watchers such as Stephen Roach, chief economist at Morgan Stanley and Michael Metz, chief market strategist at Oppenheimer...

Such a correction could come slowly. One lesson US investors learned from the market tumblers of 1987 and 1990 is that the biggest money is made from buying, not selling...

Straus thinks investors are waiting for another surprising piece of economic data that would roil the market and calm nerves before the market can resume its upward course.

Table with 5 columns: Day, Dow Jones Ind Average, Change, % Change, High, Low. Rows for Monday through Friday.

On the other side of the

London

A detached view of the future

Philip Coggan looks at the finer points of decoupling

Decoupling. It is nothing to do with Charles and Diana, Kenneth Branagh and Emma Thompson...

There are certainly respectable arguments that decoupling should occur. After the March US employment numbers confirmed the economic strength inherent in the February data...

The new world outperforms the old. FT/SE Europe (5-term) relative to the S&P Composite Index. Line graph showing performance from 1981 to 1996.

Table titled 'Highlights of the week' with columns for Price, Change, and other metrics for various indices and sectors.

let had been "coupled" with the US during the 1990s. Since the start of 1991, the FT-A European index has underperformed the S&P 500 by 20.5 per cent.

London, which tends to be Europe's most devoted follower of the US, was no exception. By the end of yesterday's trading, the FTSE 100 index had gained 11 points over the course of the trading week.

Within the UK market, shares in the construction sector were lifted by reports of a revival in the housing market and by the latest cut in mortgage rates, initiated by the Nationwide, to their lowest level in 31 years.



Troubled waters: there are arguments in favour of decoupling markets

tion defeat, in south-east Staffordshire. Nevertheless, there are many who hope that rate and tax cuts will bolster consumer confidence and help the economy rebound.

But Jeffrey is mildly less bullish than before. While he retains his end-year target of 4,000, he adds: "This should be taken more as a guide to the potential upside this year than to a sustainable level."

While it might seem as if the prospect of a Labour government should be priced into shares, the markets have been counting on the Conservatives limping through to 1997...

Brothers says that while UK institutional cash levels rose by more than \$11bn during 1995, this had only a small impact on their overall portfolios.

That figure roughly squares with data from the WM Company, which shows that pension funds had 4.5 per cent of their portfolios in cash at the end of 1995.

Moreover, pension funds have less than half the holding in conventional gilts that they had in 1987, despite the provisions of the 1986 Pensioners Act which are expected widely to lead to a rise in bond holdings...



Barry Riley

Tuning in to the big picture

But don't blink - or you could miss something important

Suddenly, the global investment strategists are glued to their screens again. Forget the slow-moving days of the first quarter of the year...

For one thing, the long-slumbering dollar has been hitting two-year highs against the yen and has been nibbling at the 1.50 level against the D-mark.

During the past few days, the yield on 10-year US Treasuries has sprouted up right past the yield on German bonds.

Decisive economic strength in both the US and Japan, and notable weakness in continental Europe, are behind these confusing to-and-fro shifts.

It seems quite likely that the present quarter in the US will show economic growth of the order of 8 per cent, and Japan

has begun to recover at about the same rate, albeit starting from the bottom of a deep recession.

As for Germany and France, they are generating little or no growth and unemployment is rising fast.

Interest rate expectations in the US have changed radically. At the start of the year, the bond market appeared to believe that the economy actually was in danger of slipping into recession.

In fact, for all this being a presidential election year in the US, the next move is likely to be up. This prospect is allowing the dollar to shag off the effects of some still-dismal trade deficits and to start, at last, to show some strength.

There is also the question of rising commodity prices, which also are threatening profit margins. Food prices

have been strong for some time, but this has been regarded as a weather-related problem unconnected to the economic cycle. All right. But now there has also been a surge in energy prices.

Brent crude hit \$23 a barrel this week, up one-third within three months. And although that looks like no more than a

Without decent profits growth to feed off, Wall Street will face a nasty let-down

temporary seasonal squeeze, it could be that we cannot be complacent any longer about the prices of base metals and other industrial raw materials if global economic growth really is picking up.

Fixed interest bonds are willing badly under the pressure. They have been highly volatile for several years now, probably because of the influence of leveraged speculators and the presence of too many governments ready to issue their bonds at any price.

There is also the question of rising commodity prices, which also are threatening profit margins. Food prices

Likely rises in economic growth and inflation rates send bond investors scampering for cover. Thus, the US Treasury 30-year bond yield has jumped from 6 to almost 7 per cent since the turn of the year.

The overhang of selling by various financial institutions and the corporate sector at above 21,000 seems largely to have dried up, and many global investors think this is the best cyclical prospect around just now.

This week, for instance, Ed Merner, the American-born but Tokyo-based investment guru, was in London talking enthusiastically about prospects. Well, perhaps he would, anyway, because he just happens to be promoting his new \$1.6bn Japan Growth Fund.

Merner argues that, from now on, Japanese company pension funds, which are taking large chunks of their money away from

poorly-performing life assurance companies, are going to be big buyers of equities.

Certainly, Japanese bonds look unattractive. Japanese institutions might do well to invest overseas, but most of them are too frightened to do this because currency losses have cost them so dearly in the past.

As for continental Europe, the softening of currencies against the dollar will come as a welcome relief for these high-cost economies. There is room for short-term interest rates to edge down further, probably to below 3 per cent.

Early in the year, German 10-year government bonds yielded anything up to 0.5 per cent more than the corresponding US Treasuries but, this week, they have been yielding 0.25 per cent less.

Offshore managed funds and UK managed funds are listed in Section One

Fidelity Stockbroking Service advertisement. SERVICE AND SAVINGS ACROSS THE GLOBE. Includes text about international investments and contact information.

Objectors to its proposal say Les Enfants Terribles is carved... saw the climax of John Hus... EVALUATION ON THE NATIONAL Health Service.



FT MANAGED FUNDS SERVICE

FT City Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 171) 873 4378 for more details.

Table of FT Managed Funds Service listing various fund categories such as 'London Life - Contd.', 'National Westminster Life Assurances Ltd', and 'Scottish Amicable - Contd.' with columns for fund names and prices.

Table of FT Managed Funds Service listing various fund categories such as 'Scottish Amicable - Contd.', 'Scottish Provident Investment - Contd.', and 'Scottish Widows' with columns for fund names and prices.

Table of FT Managed Funds Service listing various fund categories such as 'Scottish Widows' and 'Scottish Amicable - Contd.' with columns for fund names and prices.

Money Market Trust Funds

Table listing Money Market Trust Funds with columns for fund names and prices.

Money Market Bank Accounts

Table listing Money Market Bank Accounts with columns for bank names and account details.

Advertisement for Free Annual Reports from the FT, featuring a club symbol and contact information: Telephone 0181-770 0770.

MANAGEMENT SERVICES

Table listing various Management Services with columns for service names and prices.

FT MANAGED FUNDS SERVICE

FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 171) 873 4376 for more details.

OFFSHORE AND OVERSEAS

BERMUDA (SIB RECOGNISED)

Table listing Bermuda funds including Fidelity Currency Funds Ltd, Fidelity International Growth Fund, and others with columns for fund name, price, and change.

BERMUDA (REGULATED)**

Table listing Bermuda regulated funds including Bermuda Investment Management Ltd, Bermuda Growth Fund, and others.

GUERNSEY (SIB RECOGNISED)

Table listing Guernsey funds including All Investment Managers (Guernsey) Ltd, All Investment Managers (Guernsey) Ltd, and others.

GUERNSEY (REGULATED)**

Table listing Guernsey regulated funds including All Investment Managers (Guernsey) Ltd, All Investment Managers (Guernsey) Ltd, and others.

ROYAL BANK OF CANADA Q/S Fd Mgrs Ltd - Contd.

Table listing Royal Bank of Canada Q/S Fd Mgrs Ltd funds including Royal Bank of Canada Q/S Fd Mgrs Ltd, Royal Bank of Canada Q/S Fd Mgrs Ltd, and others.

IRELAND (SIB RECOGNISED)

Table listing Ireland funds including All Fund Management Ltd, All Fund Management Ltd, and others.

LIST Asset Management Ltd

Table listing LIST Asset Management Ltd funds including LIST Asset Management Ltd, LIST Asset Management Ltd, and others.

DELTA CAPITAL FUND MANAGERS LTD - Contd.

Table listing Delta Capital Fund Managers Ltd funds including Delta Capital Fund Managers Ltd, Delta Capital Fund Managers Ltd, and others.

MONEY FUND MANAGERS INTL LTD

Table listing Money Fund Managers Intl Ltd funds including Money Fund Managers Intl Ltd, Money Fund Managers Intl Ltd, and others.

ISLE OF MAN (REGULATED)**

Table listing Isle of Man regulated funds including AXA Equity & Law Intl Fund Mgrs, AXA Equity & Law Intl Fund Mgrs, and others.

WELLS FARGO INTERNATIONAL LIMITED - Contd.

Table listing Wells Fargo International Limited funds including Wells Fargo International Limited, Wells Fargo International Limited, and others.

FIDELITY FUNDS (S)

Table listing Fidelity Funds (S) including Fidelity Funds (S), Fidelity Funds (S), and others.

S-E-BANKING LUXEMBOURG SA - Contd.

Table listing S-E-Banking Luxembourg SA funds including S-E-Banking Luxembourg SA, S-E-Banking Luxembourg SA, and others.

LUXEMBOURG (SIB RECOGNISED)

Table listing Luxembourg (SIB Recognised) funds including Luxembourg (SIB Recognised), Luxembourg (SIB Recognised), and others.

OFFSHORE INSURANCES

Handwritten text in Arabic script: كسبنا من الاجل

FT MANAGED FUNDS SERVICE

FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 171) 678 4376 for more details.

Table of fund prices and performance metrics, including columns for fund name, price, and change.

Table of fund prices and performance metrics, including columns for fund name, price, and change.

Table of fund prices and performance metrics, including columns for fund name, price, and change.

Table of fund prices and performance metrics, including columns for fund name, price, and change.

Table of fund prices and performance metrics, including columns for fund name, price, and change.

Table of fund prices and performance metrics, including columns for fund name, price, and change.

Table of fund prices and performance metrics, including columns for fund name, price, and change.

Table of fund prices and performance metrics, including columns for fund name, price, and change.

OTHER OFFSHORE FUNDS

OFFSHORE INSURANCES

Table of offshore insurance policies and rates.

MANAGED FUNDS NOTES: Detailed information regarding fund management, including performance metrics and risk factors.

سكوا من الأصل

WORLD STOCK MARKETS

NORTH AMERICA

UNITED STATES (Apr 12 / US\$)

Table of US stock market data including S&P 500, Dow Jones, and various sector indices.

CANADA (Apr 12 / Can \$)

Table of Canadian stock market data including TSX 300 and various sector indices.

MEXICO (Apr 12 / Mex \$)

Table of Mexican stock market data including IPC and various sector indices.

BRAZIL (Apr 12 / Real)

Table of Brazilian stock market data including Ibovespa and various sector indices.

ARGENTINA (Apr 12 / Pesos)

Table of Argentine stock market data including Merval and various sector indices.

CHILE (Apr 12 / Chilean \$)

Table of Chilean stock market data including IPSA and various sector indices.

PERU (Apr 12 / Nuevos Soles)

Table of Peruvian stock market data including IGV and various sector indices.

VENEZUELA (Apr 12 / Bolivares)

Table of Venezuelan stock market data including IPCV and various sector indices.

COLOMBIA (Apr 12 / Pesos)

Table of Colombian stock market data including IBEXC and various sector indices.

ECUADOR (Apr 12 / Dólares)

Table of Ecuadorian stock market data including ISE and various sector indices.

PANAMA (Apr 12 / Balboas)

Table of Panamanian stock market data including ISE and various sector indices.

CUBA (Apr 12 / Pesos)

Table of Cuban stock market data including ISE and various sector indices.

HAITI (Apr 12 / Gourdes)

Table of Haitian stock market data including ISE and various sector indices.

DOMINICAN REPUBLIC (Apr 12 / Gourdes)

Table of Dominican Republic stock market data including ISE and various sector indices.

TRINIDAD AND TOBAGO (Apr 12 / Dollars)

Table of Trinidad and Tobago stock market data including ISE and various sector indices.

JAMAICA (Apr 12 / Dollars)

Table of Jamaican stock market data including ISE and various sector indices.

BARBADOES (Apr 12 / Dollars)

Table of Barbadian stock market data including ISE and various sector indices.

ST. VINCENT AND THE GRENADINES (Apr 12 / Dollars)

Table of St. Vincent and the Grenadines stock market data including ISE and various sector indices.

ST. LUCIA (Apr 12 / Dollars)

Table of St. Lucia stock market data including ISE and various sector indices.

ST. KITTS AND NEVIS (Apr 12 / Dollars)

Table of St. Kitts and Nevis stock market data including ISE and various sector indices.

ANTIGUA AND BARBUDA (Apr 12 / Dollars)

Table of Antigua and Barbuda stock market data including ISE and various sector indices.

DOMINICA (Apr 12 / Dollars)

Table of Dominica stock market data including ISE and various sector indices.

GREENLAND (Apr 12 / Danish Kroner)

Table of Greenland stock market data including ISE and various sector indices.

ISLANDIA (Apr 12 / Icelandic Krona)

Table of Icelandic stock market data including ISE and various sector indices.

LITHUANIA (Apr 12 / Lithuanian Litas)

Table of Lithuanian stock market data including ISE and various sector indices.

ESTONIA (Apr 12 / Estonian Kroon)

Table of Estonian stock market data including ISE and various sector indices.

LATVIA (Apr 12 / Latvian Lats)

Table of Latvian stock market data including ISE and various sector indices.

Rockwell components for heavy and medium duty trucks and trailers keep businesses on the road to exceptional performance. Includes Rockwell logo.

EUROPE

AUSTRIA (Apr 12 / Sch)

Table of Austrian stock market data including ATX and various sector indices.

GERMANY (Apr 12 / DM)

Table of German stock market data including DAX and various sector indices.

FRANCE (Apr 12 / Franc)

Table of French stock market data including CAC 40 and various sector indices.

NETHERLANDS (Apr 12 / Guilder)

Table of Dutch stock market data including AEX and various sector indices.

SWITZERLAND (Apr 12 / Franc)

Table of Swiss stock market data including SMI and various sector indices.

ITALY (Apr 12 / Lira)

Table of Italian stock market data including ISE and various sector indices.

SPAIN (Apr 12 / Ptas)

Table of Spanish stock market data including IBEX and various sector indices.

PORTUGAL (Apr 12 / Escudo)

Table of Portuguese stock market data including ISE and various sector indices.

GREECE (Apr 12 / Dracmas)

Table of Greek stock market data including ASE and various sector indices.

TURKEY (Apr 12 / Liras)

Table of Turkish stock market data including BIST and various sector indices.

FINLAND (Apr 12 / Markka)

Table of Finnish stock market data including HEX and various sector indices.

IRELAND (Apr 12 / Pounds)

Table of Irish stock market data including ISE and various sector indices.

NETHERLANDS (Apr 12 / Guilder)

Table of Dutch stock market data including AEX and various sector indices.

NETHERLANDS (Apr 12 / Guilder)

Table of Dutch stock market data including AEX and various sector indices.

NETHERLANDS (Apr 12 / Guilder)

Table of Dutch stock market data including AEX and various sector indices.

NETHERLANDS (Apr 12 / Guilder)

Table of Dutch stock market data including AEX and various sector indices.

NETHERLANDS (Apr 12 / Guilder)

Table of Dutch stock market data including AEX and various sector indices.

INDICES

Table of global stock indices including Argentina, Australia, Austria, etc.

US INDICES

Table of US stock indices including Dow Jones, S&P 500, etc.

AFRICA

Table of African stock indices including South Africa, etc.

PACIFIC

Table of Pacific stock indices including Japan, etc.

ASIA

Table of Asian stock indices including Hong Kong, etc.

AMERICAS

Table of American stock indices including Brazil, etc.

WORLD

Table of world stock indices including various regional indices.

INDEX FUTURES

Table of index futures contracts including S&P 500, etc.

COMMODITIES

Table of commodity prices including oil, gold, etc.

CURRENCY

Table of currency exchange rates for various countries.

BOND YIELDS

Table of bond yields for various maturities and countries.

STOCKS

Table of individual stock prices and performance.

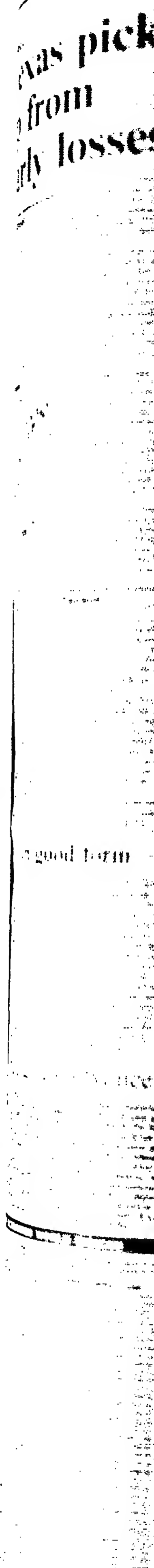
MARKETS

Table of market activity and volume.

FINANCIAL

Table of financial data including interest rates and ratios.

Copyright © 1996 by The McGraw-Hill Companies.



سكنا من الامم

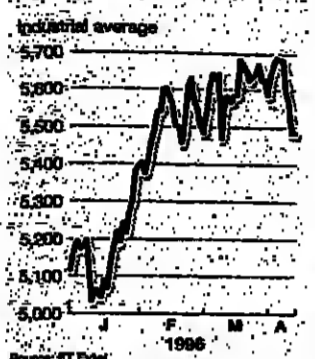
WORLD STOCK MARKETS

AMERICA

Texas picks up from early losses

Wall Street

A rebound on the US Treasury market helped share prices to modest gains in mid-session trading yesterday in spite of weakness in the technology sector, caused by a weak earnings report from Texas Instruments...



Exchange composite added 1.18 at 871.37. NYSE volume was a heavy 242m shares.

A press report that Mr Alan Greenspan believed the markets had over-reacted to fears of an overheating economy did much to put both the stock and bond markets at ease yesterday. The benchmark 30-year Treasury bond ended nearly a week of weakness with a gain of 1/4 at 89 1/2...

softness to declining prices for Dynamic Random Access Memory chips, known as DRAMs. After initially falling \$2 on the report, shares in Texas Instruments managed a gain of 4/4 at \$52 1/4.

There was no sign of worry, however, in Friday's launch on the Nasdaq stock exchange of Yahoo!, which makes a guide to the Internet. By midday, shares in the company were trading at \$39 1/4 - more than 2.5 times the offer price of \$13.

Other Internet-related companies were weaker. The American Stock Exchange/Interactive Week Exchange index shed 1.3 per cent amid declines in companies such as Netscape Communications, which lost \$2 1/4 at \$51 1/4.

EUROPE

Frankfurt sets trend with gain during afternoon

Markets wavered until the release of the US CPI, then moved higher. FRANKFURT ended up during floor trading ahead of the US data. The DAX index rose 2.07 to 2,611.78, and the Ibs accelerated to 3,268.74.

THE WEEK'S CHANGES

Table showing percentage changes for various European indices: Milan (+3.3), Frankfurt (+1.1), Amsterdam (+1), Paris (+1), Zurich (-1).

Manusmann lost DML70 to DM551, before recovering to DM553 in the Ibs after announcing a rise in net profit for 1995 to DM701m from DM340m a year earlier.

SAP recovered DM12 to DM194, then to an Ibs DM195.20 after announcing that it would release first quarter 1996 earnings next Wednesday, which was earlier than had previously been announced.

ZURICH found a new focus in Roche after the group reported good first quarter sales figures, but investors moved out of the banks after UBS rejected CS Holding's merger overtures. The SMI index, hesitant ahead of the day's US data, subsequently picked up to close 8.6 higher at \$575.5.

Roche certificates jumped \$F130 to \$F139.75, but the upbeat mood failed to carry over to the other leading pharmaceutical companies. Ciba fell \$F7 1/4 to \$F11.40, and Sandoz was steady at \$F11.32.

UBS bearers lost \$F10 to \$F11.27, in spite of the view that the bank's refusal to CS Holdings' approach appeared to have strengthened its hand ahead of next Tuesday's shareholders' meeting. CS Holding lost \$F2.25 to \$F11.25, but SBC, still a beneficiary of

switching from the other banks picked up another \$F4 to \$F14.1.

PARIS recovered late in the session helped by a rise in the US. The CAC-40 index firmed 2.28 to 2,074.74 after a session low of 2,059.35.

Turnover settled at FF3.6bn compared with Thursday's FF5.5bn. Havas shares fell FF3.80 to FF744.10 after the company reported 1995 results, and L'Oréal gathered FF4 to FF7.519 as investors positioned themselves ahead of next Wednesday's 1995 results.

MILAN resumed its rally at the end of a strong week as attention was focused on the sharp rise in US treasury bonds and stock fundamentals, rather than solely on the outlook for next weekend's general election.

The Comit index edged 1.82 lower to 611.11 while the real-time Mibtel index was 118 higher at 8,769.

CS First Boston said that it continued to overweight Italian equities, setting a bullish target for the Comit index of 700 by the end of June and 725 by the turn of the year. Mr Andrea Azimondi, strategist at CSFB, attributed the week's rally to demand from domestic and foreign investors anxious not to be left behind if next weekend's general election proved unexpectedly conclusive, at a time of improving fundamentals across the board.

FT-SE Actuaries Share Indices

Table showing FT-SE Actuaries Share Indices for April 12, 1996, with columns for index name, value, and change.

Table showing THE EUROPEAN SERIES for April 12, 1996, with columns for index name, value, and change.

higher at 8,769. CS First Boston said that it continued to overweight Italian equities, setting a bullish target for the Comit index of 700 by the end of June and 725 by the turn of the year.

Mr Andrea Azimondi, strategist at CSFB, attributed the week's rally to demand from domestic and foreign investors anxious not to be left behind if next weekend's general election proved unexpectedly conclusive, at a time of improving fundamentals across the board.

Among individual stocks, Olivetti picked up 1.17 to L89.2 as analysts forecast that the company would report a 1995 net loss of L1.493bn to L1.629bn next Tuesday, compared with a L679.5bn loss a year earlier. The troubled company is also expected to omit the dividend. Fiat rose L73 to L5,348.

OSLO was pleased by a rally in the price of oil and the dollar, and moved to its third consecutive closing high.

The Total index climbed steadily throughout the day to peak at 797.63, but dipped slightly to finish up 6.19 at 797.44.

WARSAW retreated slightly following five gaining sessions and the Wig index fell 0.1 per cent to 11,663.4 as turnover rose by 20.7 per cent to 77.3m zlotys.

Analysts said rising food prices and Sunday's 15 per cent rise in petrol prices would delay a reduction in inflation and a long-awaited interest rate cut.

Anixim rose 9.3 per cent to 59 zlotys in heavy turnover on the reports that it was expecting a tax refund of 10m zlotys.

Written and edited by Michael Morgan and John Pitt.

Mexico in good form

Mexico City was in good spirits during the morning as the IPC index added 69.07 to 3,113.08. Traders cited greater optimism about the country's economic prospects following remarks by the finance minister on Thursday.

They said the market had been encouraged by Mr Guillermo Ortiz's comments that he did not expect April inflation to rise above 5 per cent, well below his forecast that the fall in first quarter GDP would be under 3 per cent.

S Africa golds advance

Johannesburg's gold shares ended the day's best levels after rising slowly on a steady bullion price and a weak rand which lured a handful of buyers back into the market.

Industrial shares also finished a touch better after a choppy day marked by currency worries and concerns about Wall Street.

1.7 per cent in the Bovespa index by mid-session, up 820.96 at 49,673. There were worries about banks following an announcement by Moody's that it was downgrading three of them: Banco do Brasil, Bamerindus and Banco Economico.

On a more positive note on Thursday, the central bank announced the conclusion of a deal that will allow private bank Banco Bradesco to take over failed Economico. Bradesco will receive R\$750m from the government's programme to stimulate restructuring.

FT/S&P ACTUARIES WORLD INDICES

Table showing FT/S&P Actuaries World Indices for Thursday April 11, 1996, with columns for index name, value, and change.

ASIA PACIFIC

Mazda suspended in Tokyo on Ford stake building

In spite of active technical selling and profit taking, the Nikkei index managed to keep its losses to a minimum due to bargain hunting by domestic institutions, as well as speculative purchases by individuals, writes Emiko Terazono in Tokyo.

The Nikkei 225 index lost 33.98 at 21,660.47, having moved between 21,579.48 and 21,739.54. Volume jumped to 885m shares against 694m.

The Topix index of all first section stocks rose 0.56 to 1,672.59 and the Nikkei 300 fell 0.37 to 310.50. Gainers led losers by 614 to 474 with 141 issues remaining unchanged.

The Nikkei lost its afternoon strength following the announcement by Mazda Motor that it would be allowing 144.1m new shares to Ford at ¥388 per share, 22 per cent lower than the stock's close on Thursday at ¥466. Ford will increase its stake under the deal from around 26 per cent to 38.4 per cent.

THE WEEK'S CHANGES

Table showing percentage changes for various Asian indices: Taipei (+10.5), Sydney (+1.3), Seoul (+0.9), Kuala Lumpur (-0.2), Tokyo (-0.2), Singapore (-0.5), Hong Kong (-2.6).

reports that its recurring profits for the current year would remain flat. In Osaka, the OSE average rose 21.53 to 22,205.56 in volume of 99.5m shares.

The continuing post election rally saw equities move steadily ahead on both the main and OTC markets in TAPEI. The weighted index rose more than 4.1 per cent to 5,945.06, an 11-month high, in turnover of T\$101.2bn, while the OTC index advanced more than 5 per cent to the highest level since it started trading on October 1, 1995.

The OTC index gained 7.28 to 136.49 in turnover of T\$12.2bn, a record for the third consecutive day. Several analysts expected the main index to test the 6,400 to 6,700 level before May 20, when President Lee Teng-hui starts a new term in office.

Domestic investors were encouraged on Friday from the fact that foreign funds had bought a net T\$2.5bn worth of stocks on Thursday. Cathay Life Insurance and ChubbTrust Commercial Bank both rose by the daily 7 per cent limit on Friday as the financial sector surged 6.2 per cent.

THE WEEK'S CHANGES

Table showing percentage changes for various Japanese indices: Nikkei 225 Average, rebased (+1.1), Hang Seng, rebased (+1.1), All Ordinaries Index, rebased (+1.1).

SYDNEY saw a strong performance from the resources sector, with investors spurred on by rising commodity prices. The All Ordinaries index rose for the third consecutive session gaining 12.4 to 2,247.2.

Resource stocks featured strongly with gold and nickel major WMC back to pre-Christmas levels, while CRA extended its gains to post a 4 per cent rise over the week. The gold index rose 1.1 per cent, with Lihir Gold jumping 10 cents to A\$2.69.

HONG KONG finished a listless session modestly weaker, as the market was weighed by caution ahead of the weekend and the US consumer price index later in the day. The Hang Seng index ended 42.77 weaker at 10,949.80, in turnover of HK\$4.5bn.

Cathay Pacific fell 25 cents to HK\$12.70 on continued fears of keen competition from mainland-owned China National Aviation, which is due to receive a local operating licence. Swire, Cathay's parent company, dropped another HK\$1.50 to HK\$63.25 after losing HK\$2 on Thursday.

LIFFE EQUITY OPTIONS

Table showing LIFFE Equity Options for various indices and dates, with columns for call and put prices.

RISERS AND FALLS

Table showing RISES AND FALLS for various sectors: British Funds, Other Fixed Interest, General Electric, etc.

TRADITIONAL OPTIONS

Table showing TRADITIONAL OPTIONS for various commodities: Gold, Crude Oil, etc.

LONDON RECENT ISSUES: EQUITIES

Table showing LONDON RECENT ISSUES: EQUITIES with columns for issue name, price, and volume.

RIGHTS OFFERS

Table showing RIGHTS OFFERS for various companies, with columns for issue name, amount, and price.

FINANCIAL TIMES EQUITY INDICES

Table showing FINANCIAL TIMES EQUITY INDICES for various markets: FT-SE 100, FT-SE 250, etc.

FT GOLD MINES INDEX

Table showing FT GOLD MINES INDEX for various gold mining companies.

FINANCIAL TIMES EQUITY INDICES

Table showing FINANCIAL TIMES EQUITY INDICES for various markets: FT-SE 100, FT-SE 250, etc.

FT GOLD MINES INDEX

Table showing FT GOLD MINES INDEX for various gold mining companies.

FINANCIAL TIMES EQUITY INDICES

Table showing FINANCIAL TIMES EQUITY INDICES for various markets: FT-SE 100, FT-SE 250, etc.

Copyright: FT-SE International Limited, Goldman, Sachs and Co. and Standard & Poor's. All rights reserved. "FT/S&P Actuaries World Indices" is a joint venture of the Financial Times Limited and Standard & Poor's. COMMODITY PRICES WITHIN MARKET: Data Source: Commodity Research Bureau. CONSOLIDATED MARKET: Data Source: Reuters. FT-SE 100: Data Source: FT-SE International Limited. FT-SE 250: Data Source: FT-SE International Limited. FT-SE 1000: Data Source: FT-SE International Limited. FT-SE 1000: Data Source: FT-SE International Limited.

LONDON STOCK EXCHANGE: Dealings

Details of business done shown below have been taken with consent from the London Stock Exchange Official List and should not be reproduced without permission. Details relate to those securities not included in the FT Share Information Service. Unless otherwise indicated prices are in pence. The prices are those at which the business was done in the 24 hours up to 5 pm on Thursday and settled through the Stock Exchange Telford system, they are not in order of execution but in ascending order which denotes the day's highest and lowest dealings. For those securities in which no business was recorded in Thursday's Official List the latest recorded business in the two previous days is given with the relevant date. Bargains at special prices. Bargains due the previous day.

British Funds, etc

Tripartite 100% 2000000 - 122 1/2, 122 1/2 (10Apr96)

Corporation and County Stocks

Blackburn Corp 3 1/2% Int Bds - 128 (Apr96)

UK Public Boards

Scottish Agric Soc Corp 12% Deb Sls 87/20 - 110 1/2 (Apr96)

Foreign Stocks, Bonds, etc (coupons payable in London)

Greenwich (London) 0% 1981/1982 with Accruals 100% 1000000 - 100 1/2 (Apr96)

Starling Issues by Overseas Borrowers

Asian Development Bank 10 1/2% Ln Sls 2000 - 120 1/2 (Apr96)

Listed Companies (excluding Investment Trusts)

ABF Investments PLC 5 1/2% Ln Sls 87/2000 - 120 1/2 (Apr96)

Balfour Beatty PLC 8 1/2% Cum Prt 1 - 118 (10Apr96)

British Telecom PLC 7 1/2% Ln Sls 2000 - 120 1/2 (Apr96)

British Petroleum PLC 6 1/2% Ln Sls 2000 - 120 1/2 (Apr96)

BT Group PLC 6 1/2% Cum Prt 2001/05 - 118 (10Apr96)

British Airways PLC 6 1/2% Ln Sls 2000 - 120 1/2 (Apr96)

British American Tobacco Co Ltd 5% Ln Sls 2000 - 120 1/2 (Apr96)

BT Group PLC 6 1/2% Cum Prt 2001/05 - 118 (10Apr96)

British Airways PLC 6 1/2% Ln Sls 2000 - 120 1/2 (Apr96)

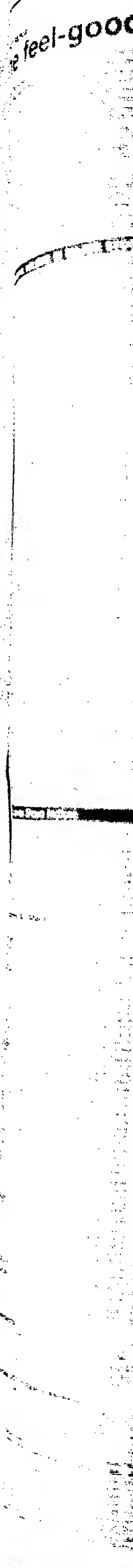
British American Tobacco Co Ltd 5% Ln Sls 2000 - 120 1/2 (Apr96)

FT-SE ACTUARIES INDICES The FT-SE Actuaries Share Indices are calculated by FT-SE International Limited in conjunction with the Faculty of Actuaries and the Institute of Actuaries.

Need facts and figures in a hurry? We can track down the information you need. Competitors, Markets, Customers, Background Research. We are used to satisfying difficult requests in a hurry. Why not prepare yourself for such an occasion by requesting full details of our services today? Alternatively, if you think you may need us now, fax over your request for a FREE quotation without obligation.



For full details please contact Nick Aldrich, FT Business Research Centre, Financial Times, Number One Southwork Bridge, London SE1 9HL, U.K. Tel: +44 (0)171 873 4102 Fax: +44 (0)171 873 3069



LONDON STOCK EXCHANGE

MARKET REPORT

The feel-good factor returns to UK equities

By Steve Thompson, UK Stock Market Editor

The cent of more takeover bids, and a general feeling of relief that Thursday's initial 70 point slide in the Dow Jones Industrial Average proved only temporary enabled London's equity market to regain its luster yesterday.

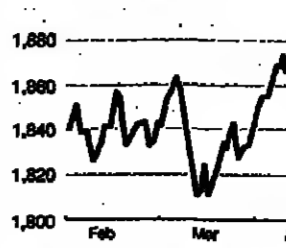
made earlier in the week when markets were struggling to resist a series of big falls on Wall Street. Over a week during which Wall Street fell over 200 points in three trading sessions, the Footsie showed an impressive 11.8 gain.

On a more fundamental basis, the market was again driven higher by a persistent flow of new money coming in. Dealers said the big institutions had continued to pump resources into the market reflecting a sharp increase in personal equity plan purchases.

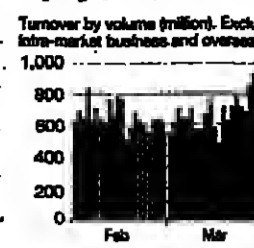
The startling recovery by Wall Street overnight, and news that UK house prices had risen by an average 1.2 per cent last month, saw the equity market off to a strong start.

Building related stocks provided the best performers in both the FT-SE 100 and FT-SE Mid 250 indices. In the premier index, RMC topped the performance table, responding to growing hopes that another cut in German interest rates may soon materialise and ahead of preliminary figures next Thursday.

FT-SE-A All-Share Index



Equity shares traded



Indices and ratios table with columns for Index Name, Value, and Change. Includes FT-SE Mid 250, FT-SE-A 350, FT-SE-A All-Share, etc.

FT-SE 100 Index table showing closing index for April 12, 11, 10, 9, 8, 7, 6, 5, 4, 3, 2, 1, and Low. Includes a note on 7-day high and low for week.

TRADING VOLUME IN MAJOR STOCKS

Table listing trading volume for major stocks including Astra, BHP, British Airways, British Telecom, etc. Columns include Vol, Closing, and Day's change.

EQUITY FUTURES AND OPTIONS TRADING

Table showing stock index futures and options trading data for FT-SE 100, FT-SE Mid 250, and FT-SE All-Share. Columns include Open, Sell price, Change, High, Low, etc.

FT-SE-A INDICES - LEADERS & LAGGARDS

Table listing percentage changes since December 29, 1995 for various sectors like Media, Leisure & Retail, Support Services, etc.

S-Kline profit concerns

SmithKline Beecham fell 13 to 64p in the 'A' shares, making a slide of nearly 7 per cent over the week, as investors started to worry about the forthcoming figures.

NEW 52 WEEK HIGHS AND LOWS

NEW 52 WEEK HIGHS (BY SECTOR): ALCOHOLIC BEVERAGES (P) J&F, B&W, etc. NEW 52 WEEK LOWS (BY SECTOR): B&W, etc.

CHIEF PRICE CHANGES YESTERDAY

Table listing price changes for various companies like London (Pence), Barrat Davs, Beazer Homes, etc.

FT-SE Actuaries Share Indices

Table showing FT-SE 100, FT-SE Mid 250, FT-SE All-Share, FT-SE 100 Higher Yield, FT-SE 100 Lower Yield, FT-SE SmallCap, FT-SE All-Share.

The UK Series

Table showing UK Series data including 10 MINERAL EXTRACTION, 12 Extractive Industries, etc.

FT-SE Actuaries All-Share

Table showing FT-SE Actuaries All-Share data for various sectors like 10 MINERAL EXTRACTION, 12 Extractive Industries, etc.

Hourly movements

Table showing hourly movements for SE 100, SE Mid 250, SE-A 350.

FT-SE Actuaries 350 Industry baskets

Table showing FT-SE Actuaries 350 Industry baskets for sectors like Electricity, Water, Gas, etc.

Powers surge

There was a power surge in the electricity sector following a leak that the monopolies commission has cleared the way for further bids.

Tesco

Tesco gained ground ahead of next Tuesday's results statement following switch advice from several leading brokers.

Building-related stocks

Building-related stocks continued to bog the performance headlines with RMC and Redland taking the first two places in the Footsie charts.

Four Recs still retain their independence

Four Recs still retain their independence although one of them - Northern - is looking expensive after successfully fighting off an unwelcome approach from Trafalgar House.

Both Credit Lyonnais Laing and SGT

Both Credit Lyonnais Laing and SGT urged clients to move out of J. Sainsbury and buy Tesco.

Chocolate and soft drinks

Chocolate and soft drinks giant Cadbury-Swallows rounded off a strong week with a gain of 12 to 50p in above average volume of 6.6m Kleinwort Benson is the latest bro-

Hourly movements

Table showing hourly movements for SE 100, SE Mid 250, SE-A 350.

FT-SE Actuaries 350 Industry baskets

Table showing FT-SE Actuaries 350 Industry baskets for sectors like Electricity, Water, Gas, etc.

Hourly movements

Table showing hourly movements for SE 100, SE Mid 250, SE-A 350.

FT-SE Actuaries 350 Industry baskets

Table showing FT-SE Actuaries 350 Industry baskets for sectors like Electricity, Water, Gas, etc.

Advertisement for Rainforest We Provide Trees To Chop Down. Text describes the benefits of rainforest trees and offers a membership service.

Advertisement for Fidelity Facility. Text describes a trading facility for share dealing in a controlled environment.

Advertisement for World Wide Fund For Nature. Text promotes the WWF and its commitment to environmental conservation.

Advertisement for Fidelity Brokerage Services. Text promotes Fidelity's investment services and research.

سكرا من الامارات

LONDON SHARE SERVICE

INV TRUSTS SPLIT CAPITAL - Cont.

Table listing investment trusts with columns for Name, Price, and % Change.

OTHER INVESTMENT TRUSTS

Table listing other investment trusts with columns for Name, Price, and % Change.

INVESTMENT COMPANIES

Table listing investment companies with columns for Name, Price, and % Change.

LEISURE & HOTELS

Table listing leisure and hotel companies with columns for Name, Price, and % Change.

LEISURE & HOTELS - Cont.

Table listing leisure and hotel companies (continued) with columns for Name, Price, and % Change.

LIFE ASSURANCE

Table listing life assurance companies with columns for Name, Price, and % Change.

MEDIA

Table listing media companies with columns for Name, Price, and % Change.

OIL EXPLORATION & PRODUCTION

Table listing oil exploration and production companies with columns for Name, Price, and % Change.

OIL, INTEGRATED

Table listing integrated oil companies with columns for Name, Price, and % Change.

OTHER FINANCIAL - Cont.

Table listing other financial companies (continued) with columns for Name, Price, and % Change.

PAPER, PACKAGING & PRINTING

Table listing paper, packaging, and printing companies with columns for Name, Price, and % Change.

PHARMACEUTICALS

Table listing pharmaceutical companies with columns for Name, Price, and % Change.

PROPERTY

Table listing property companies with columns for Name, Price, and % Change.

SUPPORT SERVICES

Table listing support services companies with columns for Name, Price, and % Change.

PROPERTY - Cont.

Table listing property companies (continued) with columns for Name, Price, and % Change.

RETAILERS, FOOD

Table listing food retailers with columns for Name, Price, and % Change.

RETAILERS, GENERAL

Table listing general retailers with columns for Name, Price, and % Change.

RETAILERS, GENERAL - Cont.

Table listing general retailers (continued) with columns for Name, Price, and % Change.

SUPPORT SERVICES

Table listing support services companies with columns for Name, Price, and % Change.

AIM

Table listing companies on the Alternative Investment Market (AIM) with columns for Name, Price, and % Change.

PROPERTY - Cont.

Table listing property companies (continued) with columns for Name, Price, and % Change.

RETAILERS, FOOD

Table listing food retailers with columns for Name, Price, and % Change.

RETAILERS, GENERAL

Table listing general retailers with columns for Name, Price, and % Change.

RETAILERS, GENERAL - Cont.

Table listing general retailers (continued) with columns for Name, Price, and % Change.

SUPPORT SERVICES

Table listing support services companies with columns for Name, Price, and % Change.

AIM

Table listing companies on the Alternative Investment Market (AIM) with columns for Name, Price, and % Change.

SUPPORT SERVICES - Cont.

Table listing support services companies (continued) with columns for Name, Price, and % Change.

TELECOMMUNICATIONS

Table listing telecommunications companies with columns for Name, Price, and % Change.

TEXTILES & APPAREL

Table listing textiles and apparel companies with columns for Name, Price, and % Change.

TOBACCO

Table listing tobacco companies with columns for Name, Price, and % Change.

TRANSPORT

Table listing transport companies with columns for Name, Price, and % Change.

WATER

Table listing water companies with columns for Name, Price, and % Change.

AIM

Table listing companies on the Alternative Investment Market (AIM) with columns for Name, Price, and % Change.

AMERICANS - Cont.

Table listing American companies (continued) with columns for Name, Price, and % Change.

AMERICANS

Table listing American companies with columns for Name, Price, and % Change.

CANADIANS

Table listing Canadian companies with columns for Name, Price, and % Change.

SOUTH AFRICANS

Table listing South African companies with columns for Name, Price, and % Change.

AIM - Cont.

Table listing companies on the Alternative Investment Market (AIM) (continued) with columns for Name, Price, and % Change.

AMERICANS

Table listing American companies with columns for Name, Price, and % Change.

CANADIANS

Table listing Canadian companies with columns for Name, Price, and % Change.

SOUTH AFRICANS

Table listing South African companies with columns for Name, Price, and % Change.

Advertisement for ShareLink: 'The cheapest Bed and Breakfast in town?' with phone number 0121 200 7788 and logo.

GUIDE TO LONDON SHARE SERVICE

Guide to London Share Service: Information about the service, including company classifications, symbols, and contact details.

COUNTY HALL... NORTH COURT FROM \$99,000... OPEN WEEKEND 13TH-14TH APRIL

FINANCIAL TIMES

Weekend April 13/April 14 1996

Singer & Friedlander Investment Funds 0500 62 62 26

Anglo-American tightens grip on Lonrho's mining operations

By Kenneth Gooding, In London

Lonrho, the UK conglomerate, yesterday effectively handed potential future operational control of its mining interests to Anglo American Corporation...

Mr Dieter Bock, Lonrho's chief executive, who sold Anglo a 5.9 per cent stake in the group for \$91m (\$138m) last month, has now given it the right to buy his remaining 18.4 per cent by mid-September 1997 for 180p to 220p a share...

interests, which include hotels, trading and agriculture. In the meantime, Anglo is to provide technical and other mining-related services to Lonrho...

Mr Julian Ogilvie Thompson, Anglo's chairman, said his group had bought more Lonrho shares last week at a slight discount to the market price to take the group's holding to 7.5 per cent.

He insisted Anglo did not intend to bid for the rest of Lonrho and had no plans to take control of the mining interests when they were demerged.

growing Ghanaian gold group in which Lonrho has a 37 per cent stake and which is widely believed to be Anglo's main target. Gencor already owns 27 per cent of Lonrho's South African platinum business and had hoped to arrange a full merger between its Impala Platinum offshoot and the Lonrho operations.

This sparked a probe by the European Commission. Anglo's intervention will heighten concern because Anglo effectively controls Rustenburg, the western world's biggest platinum producer.

Mr Ogilvie Thompson said Anglo had been contacted by the Commission in connection with the inquiry. He did not think the new Anglo-Lonrho links should affect the Commission's investigation because, even if Anglo took its Lonrho holding to 26 per cent, "we would not be in control

or in charge of the company". He said Anglo had not contacted Gencor about the Lonrho link but he had recently had dinner with Mr Sam Jonah, Ashanti's chief executive and a Lonrho director, who was "happy with the arrangements".

Analysts suggest this might have been a diplomatic reaction by Mr Jonah who has indicated in the past that he wants to build an independent Ashanti into one of the world's biggest gold mining companies.

A Lonrho official said the closer links with Anglo should make the mining operations stronger and speed up the demerger. Mr Bock said: "It is in the best interests of Lonrho's mining business to have this commitment from Anglo."

See Lex Rivals eye Lonrho's gems, Page 6

Swiss banks

Continued from Page 1

pledged if a large portion of the independent votes went against Mr Studer. At the last shareholders' meeting, more than half the votes cast were proxies held by fund managers.

UBS directors have more than once used determined tactics to gain shareholder votes and to question the motives of those who do not support them in their long struggle with Mr Ehmer.

In the run-up to a shareholders' meeting in November, 1994, they sent two letters to employees urging them to give unconditional proxies to the directors. Employees held about 7 per cent of the total votes. They also hinted that Mr Ehmer's EZ Bank was improperly using proxies of clients to vote against the board.

Under Swiss law, fund managers are not obliged to vote clients' shares unless specific instructions are received. But if they do vote shares on which no instructions have been received, they must vote them in favour of board motions.

CS Holding said yesterday it would be voting its general proxies in favour of the board's proposals as usual. UBS has sent letters to large Swiss institutional investors, asking them if they have been in communication with other UBS shareholders.

Britain set to clear renewed bids for electricity groups

By David Wighton in London

Mr Ian Lang, UK trade secretary, is expected to clear National Power and PowerGen to renew their bids for Southern Electric and Midlands Electricity after the Monopolies and Mergers Commission gave its conditional go-ahead.

The London Stock Exchange yesterday launched an inquiry into the leaking of the MMC's report on the bids to the Economist magazine which led to share price rises throughout the sector.

The Department of Trade and Industry last night threatened the Economist with an injunction in an attempt to prevent further disclosures. The draft version obtained by the paper contains commercially confidential information which would not appear in the published document.

The report, which was passed to Mr Lang two weeks ago, recommends the bids by National Power and PowerGen be cleared subject to relatively minor conditions. But one of the five panel members has submitted a minority report calling for the bids to be blocked because they would tend to reduce competition and increase electricity prices.

Ms Patricia Hodgson, director of policy and planning at the BBC, argued that "the price of electricity is of such importance for the standard of living of consumers and the health of the economy as a whole that the balance of public interest would be to encourage further competition".

The rest of the panel, headed by Mr Graeme Odgers, the former BT managing director who now chairs the MMC, concluded that if allowed through without conditions the bids "may be expected to operate against the public interest". But they decided that subject to three main conditions, the detriment to the public interest would not be sufficient to justify blocking the bids.

The report said one benefit of the takeovers would be that each of the merged companies would be "a more effective international competitor, partly through increased size and partly because it would possess a wider range of skills and experience".

The MMC's conclusions were bitterly criticised by some of the other regional electricity companies which have remained independent after the wave of bids in the sector.

One senior executive said: "The MMC seems to have accepted many of the arguments against the bids but come to a wrong conclusion in part because of a misguided interest in creating national champions."

There was mixed reaction from electricity consumer groups. The National Consumer Council said the MMC would be "falling in its duty if it is recommending electricity takeover bids against the public interest" and said they must not go ahead without "strong regulatory protection".

The Energy Intensive Users Group, which represents large industrial customers, said the conditions appeared to meet its objections.

National Power and PowerGen would have to sell stakes in independent power stations owned by Southern and Midlands and give undertakings to "ring-fence" information about contracts signed by regional electricity companies with other generators. They would also have to ensure that the regulated business was run separately from the other operations.

Electricity switchback, Page 8 See Lex

Israeli helicopters launch fresh attack on Beirut suburbs

Continued from Page 1

prime minister, who yesterday promised to continue the campaign "as long as is necessary".

Mr Peres, who faces a national election on May 29, has been under pressure to prove his government is tough on terrorism following a series of suicide bombings within Israel.

He said Hizbollah should not think there was "weakness" in northern Israel. Lebanese reports suggested 12

civilians were killed and 35 wounded by Israeli attacks, while Israeli reports said four of its citizens were wounded by the Hizbollah rockets.

The conflict has prompted the evacuation of homes in northern Israel and southern Lebanon, where residents of 40 villages were advised to leave by the Israeli army.

Most of the 25,000 residents of Kiryat Shmona, the main town in northern Israel, have fled. The Israeli campaign has yet

to reach the level of some past pushes in southern Lebanon, but the involvement of Syrian troops risks a further escalation of the conflict. The Israeli strikes have already put strain on its difficult relations with Damascus, the de facto ruler of Lebanon, with which it had been holding peace talks since 1991.

The talks between Syria and Israel have been effectively stalled since December, with Israel officially suspending them in the wake of suicide bombings by Pal-

estinian Islamists six weeks ago which killed 58 people.

Syrian radio said Damascus still committed to the peace process, but the attacks showed Israel was rejecting negotiations. Israel said it launched the attacks on Hizbollah in the absence of any effort by Syria or Lebanon to rein in the militants.

The present conflict appears to have changed the unwritten rules of engagement, with broader attacks now involving civilians as well as soldiers.

FT WEATHER GUIDE

Europe today

Cold air will spread across central Europe from the north. Near the front there will be rain with snow in the Alps. Rain or snow are also expected north of the front in Poland, the Czech Republic and eastern Germany. The North Sea countries will be mostly dry with some sun, but strong north-easterly winds will keep temperatures cool. The British Isles will be mainly dry. High pressure will bring sun to most of southern Europe, but northern Spain and southern France will have isolated showers.

Five-day forecast

Cold air from northern Europe will move towards south-eastern Europe during the next few days. Italy and the Balkans can expect thunderstorms accompanied by heavy rain, which will move into Turkey early next week. The North Sea countries and southern Scandinavia will remain sunny but windy.



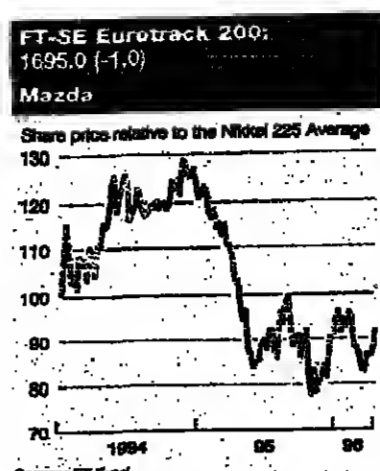
TODAY'S TEMPERATURES

Table with 3 columns: Location, Temperature, and Weather. Includes Abu Dhabi, Accra, Algiers, Amsterdam, Athens, Atlanta, B. Aires, Bham, Bangkok, Barcelona, Beijing, Belfast, Belgrade, Berlin, Bermuda, Bogota, Bombay, Brasilia, Bucharest, C. Jagan, Cairo, Cape Town, Caracas, Cardiff, Chandigarh, Chicago, Cologne, Dalar, Dallas, Delhi, Dubai, Dublin, Dushanbe, Edinburgh, Faro, Frankfurt, Geneva, Gibraltar, Glasgow, Hamburg, Helsinki, Hong Kong, Honolulu, Istanbul, Jakarta, Jersey, Karachi, Kuwait, L. Angeles, Las Palmas, Lima, Lisbon, London, Luxembourg, Lyon, Madras, Madrid, Manila, Melbourne, Mexico City, Miami, Milan, Montreal, Moscow, Munich, Nairobi, Naples, New York, Nice, Nicosia, Oslo, Oulu, Paris, Perth, Prague, Rangoon, Reykjavik, Rio, Rome, S. Paulo, Seoul, Singapore, Stockholm, Strasbourg, Sydney, Taipei, Tel Aviv, Toronto, Vancouver, Venice, Vienna, Warsaw, Washington, Wellington, Wlrling, Zurich.

Your frequent flyer program: Lufthansa Miles & More. Lufthansa

THE LEX COLUMN Ford takes the wheel

An injection of capital and management from Ford should give a new lease of life to the rusty old model that Mazda has become. As Japan's fifth largest carmaker it has suffered more than larger rivals from the combination of overcapacity, high costs and market saturation. Capacity utilisation at its most modern factory in western Japan is only 45 per cent and the group's vehicle output has almost halved since 1990. That has led to two years of heavy losses, while the recovery to break-even in the latest 12 months has been achieved only with the help of asset sales.



mining finance house. Despite those benefits, Anglo is paying Mr Bock only a 6 per cent premium to Lonrho's current market price. Lonrho argues that without a "big brother" like Anglo, the mining division would be too weak to stand on its own feet. But the speed with which Anglo has snapped up its stake suggests that Lonrho assets might have been attractive to a number of parties. Mr Bock would have done better to hold an auction rather than tying up a rather cosy deal.

Closer co-operation with Ford will help. Sharing product development, purchasing and some distribution should bring savings. And Mazda has low-cost production sites in south east Asia, saving Ford the trouble of establishing its own. A second level of benefits should come from co-ordinating new model ranges, with Ford likely to use Mazda platforms in Asia, and vice-versa in Europe and America. But this rather raises the question of what the two companies have been doing all these years. They have been allies since 1989 and Ford has held a significant equity stake in the Japanese group for nearly 20 years. Most recently, Ford appeared to be distancing itself from its partner by developing its own range of small cars. For Mazda's other investors it must be galling that Ford is now increasing its stake by buying shares at a 22 per cent discount to the market price and gaining effective management control without launching a full bid. But since the alternative is probably Mazda's demise, they have no other option.

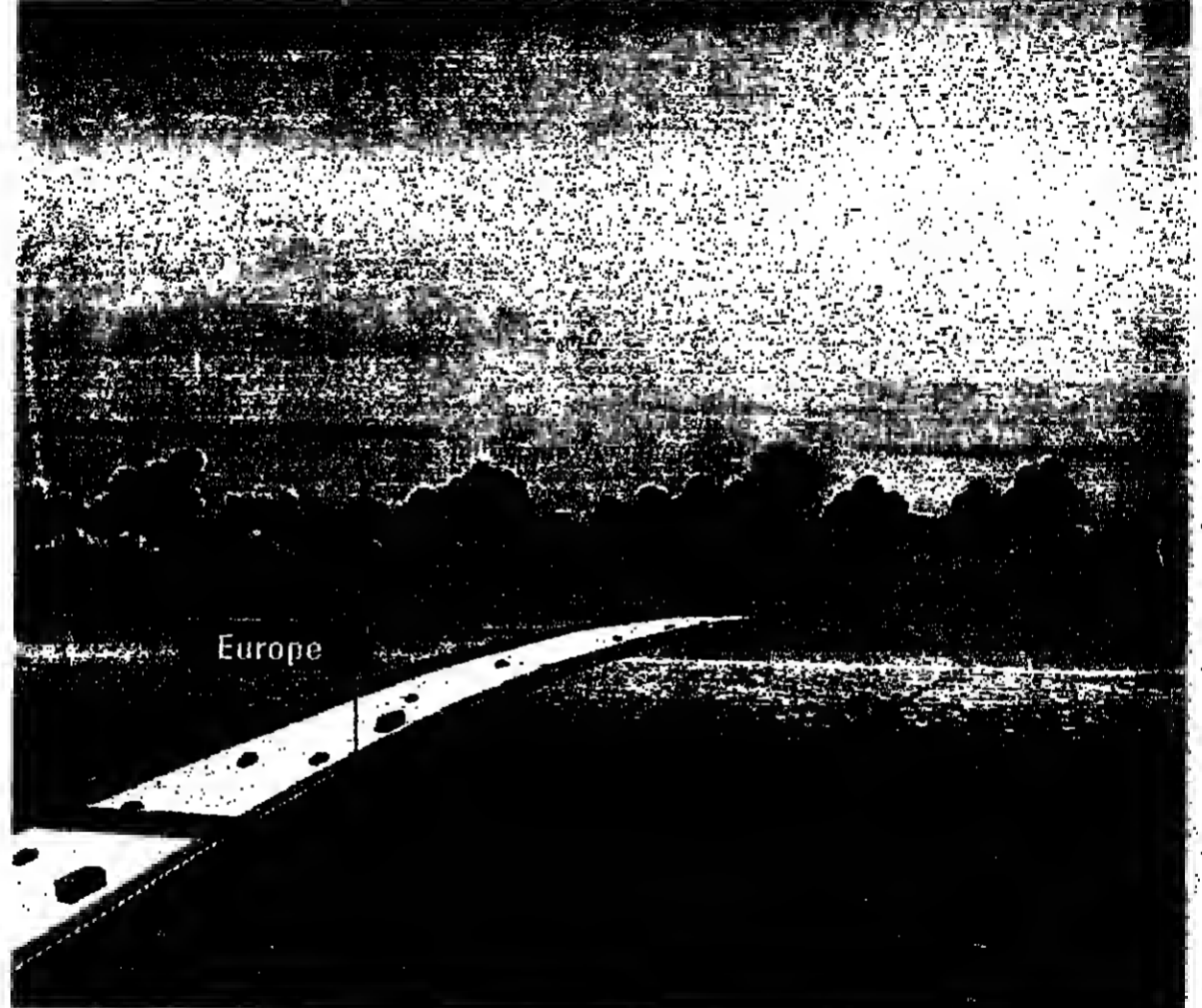
Telekom, it would have a strong argument for doing so. Telekom is a government monopoly, so C&W would effectively be renationalised via the backdoor. However, it would find itself ideologically challenged in blocking a bid from, say, BT. If it would be acceptable for C&W to sell its UK telecoms business, Mercury, to all-comers, what grounds can there be for blocking a bid for C&W itself? However, UK government support must be the key to any buyer of C&W retaining its numerous former colonial telecom licences. And the government is bound to prefer the idea of a British Telecommunications/C&W merger. BT would emerge as an international giant, while UK competition would be enhanced by placing C&W's UK arm, Mercury, into stronger hands. In the circumstances, overseas telecoms groups are unlikely to take the risk.

Deutsche Telekom

A Deutsche Telekom takeover of Cable and Wireless is sufficiently far-fetched that it is a wonder C&W shares reacted so enthusiastically yesterday. With DM100bn of net debt, Telekom would struggle to pay up. Besides, a reverse takeover by C&W would be impossible - Deutsche is wholly-owned by the German government - so Telekom would face substantial regulatory hurdles, such as a mandatory takeover of C&W's subsidiary Hongkong Telecom. The suggestion that Telekom might be interested can probably be interpreted as an attempt by an inefficient monopoly to portray itself as something more dynamic in the lead-up to its November flotation. Nonetheless, the rumour raises the issue of whether the UK government would use its golden share to veto any overseas bid for C&W. In the case of

Lonrho

By granting Anglo American Corporation an option over his 18 per cent stake in Lonrho, chief executive Mr Dieter Bock is not doing Lonrho's other shareholders any favours. If Lonrho's demerger into mining and non-mining divisions goes ahead as planned, Anglo will end up with a 28 per cent stake in the mining arm, giving it significant influence. Its pre-emptive strike has certainly ensured that Lonrho's mining assets will not fall into other hands and its timely intervention may help to scupper the proposed merger of Lonrho's platinum interests with Anglo's rival Gencor. In time, Anglo will almost certainly use Lonrho's collection of assets to expand further into Africa from its South African base. In particular, Lonrho's stake in the Ashanti gold mine in Ghana could become the nub of an African



Global banking made in Germany.

The world is shrinking. Whereas your scope is growing. Theoretically. And practically? Whenever you wish to make more than just a small move, include the WestLB in your plans. We appreciate global thinking and, as one of Europe's leading banks, we have both the experience and the potential to achieve even exceptional goals - with you. Established as a German wholesale bank, we

offer you all services from one source, made to measure, reliable and, if you like, worldwide. After all, what could be closer to your wishes than a bank with a perspective as broad as your own? Are you looking for a partner near you? Simply call our automatic fax service in Germany on (+49) 211 9 44 83 70 to request a list of our worldwide network straight away.

WestLB

صكنا من الامل